

T.C.  
DOKUZ EYLÜL ÜNİVERSİTESİ  
SOSYAL BİLİMLER ENSTİTÜSÜ  
İNGİLİZCE İŞLETME ANABİLİM DALI  
İNGİLİZCE İŞLETME YÖNETİMİ PROGRAMI  
YÜKSEK LİSANS TEZİ

**WOMEN'S ENTREPRENEURSHIP: AN  
INVESTIGATION OF FACTORS INFLUENCING  
WOMEN ENTREPRENEURS**

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2009

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Yüksek Lisans Tezi olarak sunduğum “**Women’s Entrepreneurship: An Investigation of Factors Influencing Women Entrepreneurs**” adlı çalışmanın, tarafımdan, bilimsel ahlak ve geleneklere aykırı düşecek bir yardıma başvurmaksızın yazıldığını ve yararlandığım eserlerin kaynakçada gösterilenlerden oluştuğunu, bunlara atıf yapılarak yararlanılmış olduğunu belirtir ve bunu onurumla doğrularım.

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**Proje Konusu** : WOMEN'S ENTREPRENEURSHIP: AN  
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## ÖZET

Yüksek Lisans Tezi

**Kadın Girişimciliği: Kadın Girişimciliğine Etki Eden Faktörleri Araştırma**

**Mahabat SARKULOVA**

**Dokuz Eylül Üniversitesi**

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Bu çalışmanın amacı bireyleri girişimciliğe motive eden faktörleri incelemektir. Ancak bütün faktörler göz önünde bulundurulduğunda girişimcilerin kişisel özellikleri cinsiyetlere göre kıyaslandığında farklılıklar gözlemlenmektedir. Bu bağlamda, yapılan çalışmaların çoğu erkek girişimcilerin üzerinden yapılmıştır ve kadın girişimciler üzerindeki çalışmalar oldukça azdır.

Yeni girişimcilerin yalnızca üçte biri kadındır ancak son yıllarda yeni girişimlerin geliştirmesinde kadın girişimciler daha aktif rol almaktadırlar. Bazı araştırmalara göre, yüksek gelirli ülkelere kıyasla düşük gelirli ülkelerde serbest çalışan kadınların oranı daha fazladır. Bu gerçekler ışığında, düşük gelirli bir ülke olan Kırgızistan'daki kadın girişimcilerden veri toplanmıştır. Araştırmanın soru formu girişimci olmada onları motive eden itici ve çekici faktörleri ölçmektedir.

Bu çalışmada motivasyon faktörleri ve girişimciliğin arasındaki ilişkiyi incelemek için regresyon ve korelasyon analizi kullanılmıştır. Bulgular, Kırgız kadın girişimcileri kendi işlerini başlatmada motive eden ana faktörler olarak iş tatminsizliği, cam tavan (bir kariyerde ilerlemeye set çeken görünmez engel), işsizlik ve ekonomik değişimlerin olumsuz etkileriyle oluşan finansal nedenlerin itici faktörler olduğunu göstermiştir. Diğer yandan, kadınların zor zamanlarda bile başarılı olmalarının nedeni olan çekici güçler olarak da kar kazanma arzusu, kendini gerçekleştirme ihtiyacı ve var olan aile işletmesinin desteği ön plana çıkmıştır.

**Anahtar Kelimeler:** Giriřimcilik, kadın giriřimciler, itici faktörler, çekici faktörler.

## **ABSTRACT**

### **Master Thesis**

# **Women's Entrepreneurship: An Investigation of Factors Influencing Women Entrepreneurs**

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The purpose of this paper is to investigate the main motivation factors that pulls and pushes individuals into entrepreneurship activities. However considering all these factors, personal characteristics of entrepreneurs differ when it is compared on the basis of gender. In this context, majority of research studies are generally based on male entrepreneurs and the studies on the real condition of women entrepreneurs are scarce.

Only one third of new entrepreneurs are women but they have become more active in advancement of new venture creation for the last years. According to some researches, the rate of self-employed women exceeds in low-income countries rather than in high-income countries. In view of these facts, data was collected from women entrepreneurs from a low income country, specifically Kyrgyzstan. The research questionnaire focused on pull and push factors to measure their motivation of becoming entrepreneurs.

This study used regression and correlation analysis to examine the relationship between motivation factors and entrepreneurship. The findings show that the main motivation factors of Kyrgyz women entrepreneurs in starting up their business are push factors such as job dissatisfaction, glass-ceiling, unemployment, and financial reasons which are generated from negative effects of economic changes. On the other hand women became successful even in hard times with their personal motives of desire for profit

**wealth, need for self-fulfillment, and support of already owned family businesses.**

**Key Words:** Entrepreneurship, women entrepreneurs, push factors, pull factors.

**TABLE OF CONTENTS**  
**WOMEN'S ENTREPRENEURSHIP: AN INVESTIGATION OF FACTORS**  
**INFLUENCING WOMEN ENTREPRENEURS**

<b>YEMİN METNİ.....</b>	<b>ii</b>
<b>TUTANAK.....</b>	<b>iii</b>
<b>ÖZET.....</b>	<b>iv</b>
<b>ABSTRACT.....</b>	<b>vi</b>
<b>TABLE OF CONTENTS.....</b>	<b>xiii</b>
<b>TABLES AND FIGURES.....</b>	<b>xi</b>
<b>INTRODUCTION.....</b>	<b>1</b>

**PART I**  
**LITERATURE REVIEW**

<b>1.1. THEORETICAL APPROACHES TO ENTREPRENEURSHIP.....</b>	<b>5</b>
1.1.1. Defining Entrepreneurship Phenomena.....	5
1.1.2. Major Approaches to Entrepreneurship.....	8
1.1.2.1. Economic Approach.....	8
1.1.2.2. Psychological Approach .....	10
1.1.2.3. Behavioral Approach.....	12
1.1.3. Women Entrepreneurship Under the Light of Entrepreneurship Approaches.....	14
1.1.3.1. Women Entrepreneurship growth and research studies.....	14
1.1.3.2. Identifying differences between men and women entrepreneurs.....	20
1.1.3.3. Distinctive Characteristics of Women Entrepreneurs.....	23
<b>1.2. THEORETICAL FRAMEWORK.....</b>	<b>24</b>
1.2.1. Motivation of becoming entrepreneurship.....	24
1.2.2. Pulled and Pushed motives.....	25
1.2.3. Factors influencing women entrepreneurship.....	30
1.2.3.1. Push Factors.....	30



1.2.3.1.2. Unemployment .....	30
1.2.3.1.2. Job dissatisfaction.....	33
1.2.3.1.3. Glass-ceiling.....	35
1.2.3.1.4. Family reason.....	37
1.2.3.2. Pull Factors.....	37
1.2.3.2.1. Family business.....	37
1.2.3.2.2. Opportunity perception.....	39
1.2.3.2.3. Tolerance for risk.....	40
1.2.3.2.4. Desire for profit-wealth.....	42
1.2.3.2.5. Higher order needs.....	43
a) Desire for independence .....	44
b) Need for achievement.....	45
c) Self-fulfillment.....	46

## **PART II**

### **METHODOLOGY**

2.1. PROFILE OF WOMEN ENTREPRENEURS IN KYRGYZSTAN.....	48
2.2. RESEARCH DESIGN AND DATA COLLECTION.....	52
2.2.1. Sampling.....	53
2.2.2. Variables.....	54
2.2.3. Reliability.....	55
2.2.4. Analysis of Data.....	59

## **PART III**

### **DISCUSSION OF FINDINGS**

3.1. DEMOGRAPHIC CHARACTERISTICS OF WOMEN ENTREPRENEURS..	60
3.2. FACTORS INFLUENCING WOMEN ENTREPRENEURS:	
PUSH OR PULL .....	65
3.2.1. Push Factors.....	68
3.2.1.1. Unemployment.....	68

3.2.1.2. Job dissatisfaction.....	71
3.2.1.3. Glass-ceiling.....	73
3.2.1.4. Family reason.....	74
3.2.2. Pull Factors.....	75
3.2.2.1. Family business.....	75
3.2.2.2. Opportunity perception.....	76
3.2.2.3. Tolerance for risk.....	77
3.2.2.4. Desire for profit-wealth.....	78
3.2.2.5. Higher order needs.....	79
 3.3. PULLED OR PUSHED MOTIVES- RECONSIDERED.....	 82
 CONCLUSION.....	 86
 REFERENCES.....	 91
 APPENDICES.....	 99

## TABLES AND FIGURES

<b>Figure 1.</b> Share of Women Entrepreneurs. ....	15
<b>Figure 2.</b> Women and Men self-employed in 28 OECD economies in 2002.....	16
<b>Figure 3.</b> Women and Men Employers and Own Account Workers in 26 Countries in 2000.....	17
<b>Figure 4.</b> Motives Behind a Change of Life.....	26
<b>Figure 5.</b> Employment Rate. ....	49
<b>Figure 6.</b> Employment by Gender. ....	49
<b>Figure 7.</b> Employment Rate by Gender.....	50
<b>Figure 8.</b> Economic Active People of Kyrgyzstan.....	51
<b>Figure 9.</b> Share of Own-account Workers.....	51
<b>Figure 10.</b> Employment by Sector. ....	72
<b>Table 1.</b> Ownership Facts.....	18
<b>Table 2.</b> Scales.....	58
<b>Table 3.</b> Sample Profile.....	61
<b>Table 4.</b> Education Level of Entrepreneurs.....	62
<b>Table 5.</b> Experiences in Term of Employed, Housewife and Students.....	63
<b>Table 6.</b> Previously Employed Women Entrepreneurs.....	64
<b>Table 7.</b> Descriptive Statistics.....	65
<b>Table 8.</b> Pearson’s Correlation.....	67
<b>Table 9.</b> Regression summary of Unemployment.....	69
<b>Table 10.</b> Women’s Unemployment Characteristics in Kyrgyzstan (2006).....	70
<b>Table 11.</b> Regression Summary of Job dissatisfaction.....	71

<b>Table 12.</b> Regression Summary of Glass-ceiling .....	73
<b>Table 13.</b> Regression Summary of Family reason .....	75
<b>Table 14.</b> Regression Summary of Family business .....	76
<b>Table 15.</b> Regression Summary of Opportunity perception.....	77
<b>Table 16.</b> Regression Summary of Tolerance for risk.....	78
<b>Table 17.</b> Regression Summary of Desire for profit-wealth .....	79
<b>Table 18.</b> Regression Summary of Independence .....	80
<b>Table 19.</b> Regression Summary of Need for achievement.....	81
<b>Table 20.</b> Regression Summary of Self-fulfillment .....	81

## **INTRODUCTION**

Entrepreneurship is the process of creating something of value by devoting the necessary skills, time and effort, and, assuming the accompanying financial and sometimes physical and social risks, to reap the resulting monetary rewards and personal satisfaction (Ufuk & Ozgen, 2001). The importance of entrepreneurship continuously becoming wide expanded around the world attracting many profit seekers involve into business ownership activities. Social changes together with technological and industrial development are drawing path to follow the business creation underlining the importance of entrepreneurship. There are several kinds of people involved into business ownership despite of their age, gender, and social classes. Especially the role of women entrepreneurs becoming more widespread which is changing their roles from traditional to more independent self-relied and innovativeness.

The phenomena of women entrepreneurs became apparent in the U.S. economy in the 1970s. Since 1970 there has been a steady increase in women entrepreneurs. In particular, the dimension of gender merits closer attention, as there is increasing evidence that women are starting up new businesses at a faster rate than men and expanding their share of business ownership in many countries. In recent years, women entrepreneurship has been prospering and women owned businesses, as well as women self-employment currently constitute an important and growing share of the business population in many developing countries and economies in transition (OECD, 2004). They make up approximately one third of the new enterprises, and generally women's enterprises are typically found in retail trade and the service sector rather than manufacturing.

Despite the tremendous growth in the number of women entrepreneurs and their impact on the economy, there are not as many studies researching women business owners. Most of researchers have insisted that studies on entrepreneurship were researching only male (Hornady & Aboud, 1971; Kent, Sexton & Vesper, 1982; Buttner & Moore, 1997). Even though women entrepreneurs have been present all throughout

the history, it has only been recently that attention has been paid by researchers. The social changes in women's role regarding their attitudes toward entrepreneurship began to attract researchers' attentions to study about women led businesses.

Many researchers insisted that there are many similarities between a male and a female entrepreneur. At the same time it also concludes that differences exist between them in some areas, but these should be investigated in more detail in order to gain a better understanding of the factors that influence the desire to establish own business, and the courage to realize this desire (Birley, 1985; Carter & Cannon, 1991; Brush, 1992). They also evidenced that different motivation factors exist among women and men entrepreneurs. When it comes to women entrepreneurs, it appears that only a small part of entrepreneurial motivations are acknowledged as gender-based. Berg (1994) argued that women's motive is linked to the fact that they must take their family, job, and career into account, and several surveys show that women do not identify themselves with the concept of entrepreneur, because in their opinion an entrepreneur is by definition a man, and this does not fit in with the picture they have of themselves as women. Even they do not identify themselves this argument cannot be valid while there are women strongly behaving as an entrepreneur through running different business activities. Instead, "pull" and "push" factors are now a common way of explaining different motivations for women to start a business (Brush & Hisrich, 1999; Buttner & Moore, 1997). This gives us suggestion that there may be factors that either pull individuals toward creating new ventures or push them into it. Push factors refer to necessities such as unemployment, glass-ceiling, redundancy, recession, financial reasons (inadequate family income), dissatisfaction with being employed, or the need to accommodate work and home roles simultaneously. Pull factors are related to a need for independence, need for achievement, financial reason (desire for profit wealth) personal development, self-fulfillment, social status and power.

The theoretical framework for this study is built through determining main pull and push factors such as job dissatisfaction, unemployment, glass-ceiling, opportunity

perception, risk taking propensity, desire for profit-wealth, family reasons, family business and higher order needs, that influenced women's motivations to become entrepreneurs. (McClelland, 1961; Brockhaus, 1980; Bates, 1988; Cromie & Hayes, 1991; Lisowska, 1997; Battner & Moore, 1997; Lee, 1997; Zapalska, 1997; Mroczkowski, 1997; Cately & Hamilton, 1998; Orhan & Scott, 2001; Van Praag *et al.*, 2002 ; Hughes, 2003; Sarri & Trihopoulou, 2004 ; Mattis, 2004 ; Ahmed, 2005; Wood, 2005; Sriram, *et al.*, 2005; Baughn *et. al*, 2006; Collins T. Y., 2007; Kepler *et al.*, 2007 ; Shaver & Schojoedt, 2007; Saar & Unt, 2008; Gelderen *et al.*, 2008).

The purpose of this study is to investigate the main motivation factors that pulls and pushes individuals into entrepreneurship activities. However majority of research studies are generally based on male entrepreneurs and the studies on the real condition of women entrepreneurs are scarce. Thus, not all factors can be similar for men and women such as gender issues of entrepreneurs. In this context, the study objectives refers to women entrepreneurs to determine main pull and push factors associated with entrepreneurship motivations and then analyze weather some of those factors are more influential than others. The research question of study refers to explain how women are motivated to be an entrepreneur, targeting the women entrepreneurs in Kyrgyzstan whether they are pulled or pushed to start their own businesses. According to some summaries of the Global Entrepreneurship Monitor (2006) "Reports on Women and Entrepreneurship" the level of women self-employment might be more active such as in a low income country. Thus, Kyrgyzstan is an ideal setting for this study, because of its less advancement in the transition process than some of the former Soviet republics.

The study used a questionnaire survey research method which is based on quantitative data analysis. According to Zechmeister & Shaughnessy (1997), survey research represents a general approach to be used when the correlational research design is implemented. Gathering data from respondents in Kyrgyzstan survey research method is implemented. Survey research method provides information on the main trend regarding entrepreneurship motivations that are specific to women entrepreneurs.

Applying correlation research design, it provides relevant details that illustrate particularities of relationship between entrepreneurship and motivation factors.

This study is organized in the following way:

Part I consist of theoretical approaches on main four subjects: i) defining entrepreneurship phenomena; ii) major approaches to entrepreneurship; iii) women's entrepreneurship under the light of entrepreneurship approaches; iv) theoretical framework, based on different motivation factors of pull and push.

Part II is about methodology. It posits the research question, the hypothesis, and describes the methodology in detail.

Part III presents the research findings and discussion of them.



**PART- I**  
**LITERATURE REVIEW**

**1.1. THEORETICAL APPROACHES TO ENTREPRENEURSHIP**

**1.1.1. Defining Entrepreneurship Phenomena**

The term entrepreneurship includes a diverse explanation that was not exactly defined by researchers. Many researches have been inconsistent in their definition of entrepreneurship (Gartner, 1988). Definitions have emphasized a broad range of activities that Gartner (1988) defined entrepreneurship as “creation of organizations.” Schumpeter (1934) defined as “carrying out new combinations”, Kirzner (1973) “the exploration of opportunities”, Knight (1921) as “the bearing of uncertainty” and others. The outline below presents some authors definitions of entrepreneurship and attempts to summarize these viewpoints more meaningfully.

The French economist Jean Baptist Say (1816) defines the entrepreneur as the agent "who unites all means of production and who finds in the value of the products. The reestablishment of the entire capital he employs, and the value of the wages, the interest, and rent which he pays, as well as profits belonging to himself."

Richard Cantillon (1775) is the first person who recognized the crucial role of the entrepreneur in economic theory. He defined the entrepreneurship as self-employment of any sort. Entrepreneurs buy at certain prices in the present and sell at uncertain prices in the future. He classified economic agents into three groups: (1) landowners, (2) entrepreneurs, and (3) hirelings. Whereas the first and the third group are characterized as being rather passive, the entrepreneurs play the central role. They play the role of coordinator, connecting producers with consumers, and also the role of the decision maker engaging in markets to earn profits and struggling with uncertainty. His concept

of uncertainty was constrained to the entrepreneur though, and it had to wait for Frank Knight (1921) for a detailed distinction between risk and uncertainty.

According to Frank Knight (1921), entrepreneurs attempt to predict and act upon change within markets. Knight emphasizes the entrepreneur's role in bearing the uncertainty of market dynamics. Entrepreneurs are required to perform such fundamental managerial functions as direction and control. The entrepreneur is a bearer of uncertainty.

Joseph Schumpeter (1934) conceptualized the entrepreneur as the innovator who implements change within markets through the carrying out of new combinations. The carrying out of new combinations can take several forms; 1) the introduction of a new good or quality thereof, 2) the introduction of a new method of production, 3) the opening of a new market, 4) the conquest of a new source of supply of new materials or parts, 5) the carrying out of the new organization of any industry. Schumpeter equated entrepreneurship with the concept of innovation applied to a business context. Thus, the entrepreneur moves the market away from equilibrium. Schumpeter's definition also emphasized the combination of resources. Yet, the managers of already established businesses are not entrepreneurs according to Schumpeter.

Penrose (1959) says entrepreneurial activity involves identifying opportunities within the economic system. Managerial capacities are different from entrepreneurial capacities.

Harvey Leibenstein (1968) insisted that the entrepreneur fills market deficiencies through input-completing activities. Entrepreneurship involves "activities necessary to create or carry on an enterprise where not all markets are well established or clearly defined and/or in which relevant parts of the production function are not completely known.

Israel Kirzner (1979); the entrepreneur recognizes and acts upon market opportunities. The entrepreneur is essentially an arbitrator. In contrast to Schumpeter's viewpoint, the entrepreneur moves the market toward equilibrium.

Gartner (1988) says entrepreneurship is the creation of new organizations. Low and MacMillan (1988) insisted that none of these definitions capture the whole picture. The phenomenon of entrepreneurship is intertwined with a complex set of contiguous and overlapping constructs such as management of change, innovation, technological and environmental turbulence, new product development, small business management, individualism and industry evolution (Low & MacMillan, 1988).

Furthermore, Low and MacMillan explained that this phenomenon can be productively investigated from disciplines as varied as economics, sociology, finance, history, psychology, and anthropology, each of which uses its own concepts and operates within its own terms of reference and they believed that the desire for common definitions and a clearly defined area of inquiry will remain unfulfilled in the foreseeable future.

For decades many scholars tried to interpret the entrepreneurship phenomena in different areas. In deed, none of them captured the whole picture. There are a lot of definitions about entrepreneurship and beyond these all I like Ufuk and Ozge's (2001) the most, because it comprises all those scholars' definitions. They defined that entrepreneurship is the process of creating something of value by devoting the necessary skills, time and effort, and, assuming the accompanying financial and sometimes physical and social risks, to reap the resulting monetary rewards and personal satisfaction.

In the next part of the study I will try to explain concept of entrepreneurship through major economic, psychological and behavioral approaches.

## **1.1.2. Major Approaches to Entrepreneurship**

### **1.1.2.1. Economic Approach**

Within the economic approach, the idea entrepreneur arose as a theoretical construction that served to explain and justify a benefit that did not correspond to the profits that came from work, land or capital (Smith, 1967). The classical economic understanding of entrepreneurship did not distinguish between capitalists and entrepreneur. Because in the capitalistic economy the main ideas concentrated on *Theory of the Firm* that is based on the production function, the equilibrium model, and the assumption of complete information and rational decision making. There was no place in economics for an additional role. Thus, the entrepreneur became obsolete (Ripsas, 1998).

In the neoclassical theory, Walras (1877) described the entrepreneur as a coordinator and arbitrator. The entrepreneur was one of the four players in the economy, apart from the land-owner, the capitalist and the worker. Without the entrepreneur there is no activity, and no change. Walras stated that general equilibrium theory contributed to the concept entrepreneur as much as it could. However, Schumpeter characterized the equilibrium theory as a static that did not allow for change. His aim was to investigate the dynamics behind empirically observable economic change (Grebel, Pyka, & Hanusch, 2003). Economic approach refers to the idea that entrepreneurship is originated by the influence of capitalism and it has impact on social and economic change. In this connection Schumpeter insisted that capitalism is by nature a form or method of economic change and never can be stationary (Socialism, Capitalism and Democracy, 1975).

The most famous economic model dealing with the entrepreneur is Joseph Schumpeter's *The Theory of Economic Development*. Schumpeter was the one who introduced the concept of the entrepreneur as innovator in 1912. In his *Theory of*

*Economic Development*, he insisted that entrepreneurship is the result of innovations which is formulated through “new combination” that is concentrated on how the entrepreneur acts. Thus, Schumpeter listed five categories of action that are covered by the concept of innovation: 1) the introduction of a new good or a quality of a good; 2) the introduction of a new method of production- something as yet untried in the industry; 3) the opening of a new market; 4) the utilization of some new source of supply for raw materials or intermediate goods; 5) the carrying out of some new organizational form of the industry. These all five characteristics of innovation formulate a new combination that is the idea of entrepreneurship (Ripsas, 1998). The economic agent to bring along innovations (i.e. “new combinations”) he called the entrepreneur (Grebel *et al.*, 2003).

Another economist to be mentioned in this context is Israel Kirzner. As Schumpeter, Kirzner also criticized the general equilibrium theory. But the difference is that Kirzner focused on market process while Schumpeter focused on market change. In a state of disequilibrium, however, actors’ plans do not match. They have to be revised and adapted to the new market situation. Economic agents have to change their minds continuously and this generates a dynamic process which Kirzner calls the market process. (Grebel *et al.*, 2003).

Thus, Kirzner’s initial model illustrated price differences between locations. According to Kirzner benefit from changes which imply opportunity is the main characteristics of entrepreneur. He presented opportunity as a relevant arbitrage opportunity which might be produced between resources and output. Therefore an entrepreneur as an opportunity seeker was alert to the entrepreneurial opportunities that had not been employed by other. In this connection, as the complexity of the profit opportunity increases, the consequences of Kirznerian entrepreneurship may increase (Loasby, 2004).

Knight (1921) also reinforced his own idea that entrepreneur as uncertainty bearer within the context of innovation. He made distinction between uncertainty and risk and defined that risk is the consequence of uncontrolled or uncontrollable change and this change is not initiated by the entrepreneurial process but the entrepreneur is using change for his purpose. Knight saw the profit of the entrepreneur as a compensation for bearing uncertainty. Throughout this idea he emphasized the entrepreneur's role in bearing the uncertainty of market dynamics. Entrepreneurs are required to perform such fundamental managerial functions as direction and control. Thus, the difference between risk and uncertainty is that the latter can not be measured with percentages. Risk, as Knight put it, is calculable but uncertainty is not (Ripsas, 1998).

Entrepreneurship is extremely difficult and a very complex subject in the economic literature because there is still no persuading approach to integrate human behavior into economic theory. The economic approach according to different economists (Walras, Schumpeter, Kirzner, Knight, etc.) was not enough in explaining the entrepreneurship as a whole. However Schumpeter's research tried to combine the economic theory and the role of the entrepreneur in it with the psychological and sociological aspects of the real person. His detailed observation of individual characteristics of the entrepreneur has deeply influenced entrepreneurship research (Ripsas, 1998). As a result next parts will refer to psychological and behavioral approaches to entrepreneurship by different researches.

#### **1.1.2.2. Psychological Approach**

Psychological approach focuses on the personality or cultural background of the individual entrepreneur as a determinant of entrepreneurial behavior (Low & MacMillan, 1988). Theory of economic approach was not enough in explaining type of entrepreneurial behavior. In order to reach proper explanation, researchers studying in entrepreneurship tried to understand the entrepreneur by describing his personal

characteristics as the trait within the psychological approach. The trait approaches build on the presumption that the entrepreneur has a particular personality compared with non-entrepreneurs. The researchers within this approach have therefore sought to identify the personality characteristics which are unique for entrepreneurs and the key characteristics of successful entrepreneurs.

Several characteristics have been mentioned when authors were trying to identify what distinguishes entrepreneurs from non-entrepreneurs: a high need for achievement (McClelland, 1961), need for independence and achievement Collins and Moore, 1970), self-confidence or locus of control (Brockhaus, 1982), risk-taking propensity (Sexton & Bowman, 1985), tolerance for ambiguity (Schere, 1982), personal values, age (Gartner, 1988).

McClelland's empirical evidence suggested that need for achievement is culturally acquired and a key psychological characteristic of an entrepreneur. An individual with a high n-Ach is characterized as (a) taking personal responsibility for decisions, (b) setting goals and accomplishing them through his/her effort, and (c) having a desire for feedback (McClelland, 1967). According to McClelland's theory, individuals who have a strong need to achieve are among those who want to solve problem themselves, set targets, and strive for these through their own efforts. The theory suggests that individuals with a strong need to achieve often find their way to entrepreneurship and succeed better than others as entrepreneurs.

Collins and Moore (1970) studied 150 entrepreneurs and concluded that they are tough, pragmatic people driven by needs of independence and achievement. They seldom are willing to submit to authority.

Self-confidence or internal locus of control is another characteristic that has been attributed to entrepreneur (Brockhaus, 1982; Chelariu *et al.*, 2008). This concept refers to the belief held by individuals that they can largely determine their fate through their

own behavior. However, internal locus of control has proved to be no more useful than need for achievement in differentiating the entrepreneur from the non-entrepreneur (Low & MacMillan, 1988).

Another psychological characteristic of personality is high risk taking propensity. However Sexton & Bowman (1985), stated that the overall evidence showed entrepreneurs are moderate risk takers and do not significantly differ from managers or even the general population.

Tolerance for ambiguity (Schere, 1982) is another personality characteristic of entrepreneur. In the study of Schere (1982) it was indicated that entrepreneurs' have significantly higher capacity for tolerance than managers.

However Gartner (1988) identifying the trait approach, criticized that the result of trait approach does not give fruitful explanation for entrepreneurship. According to him the question "Who is an entrepreneur?" probably gives a wrong answer in understanding who an entrepreneur is but "What entrepreneur does?" may give the exact meaning. Thus, in the next part of the study I will concentrate on theory of behavioral approach that is based on answering the question "What entrepreneur does?"

### **1.1.2.3. Behavioral Approach**

Gartner's (1988) behavioral approach refers that entrepreneurship is creation of new organizations. He says: "If entrepreneurship is behavioral, then it can be seen that these behaviors cease once organizational creation is over". From this statement Gartner focused on the process by which new organization new organization come into existence and clarified that the individual who creates the organization as the entrepreneur takes on the role at each stage- innovator, manager, small business owner, division vice-president, etc. This explanation is derived from the Schumpeter's theory: "Entrepreneur when he actually 'carries out new combinations', and loses that character as soon as he



has built up his business, when he settles down to running it as other people run their businesses” (Schumpeter, 1934). Thus, entrepreneurship is dynamic rather than static.

Entrepreneurship is behavioral because it is identified by behaviors and entrepreneurship is the product of the behavioral activities of individuals. This approach clarifies the process of new venture creation. So, Gartner’s (1934) behavioral approach explains that entrepreneurship emerges by the outcome of many influences.

Campbell *et al.* (1970) in his framework of process-oriented theory also suggested the behavioral approach as the process theories that explain how behavior is initiated, directed, sustained, and stopped. As it was mentioned before research findings from other areas was needed to contribute to the development of paradigms and constructs that lead to the development of convergent theories. Thus, behavioral, process-oriented model of entrepreneurship is needed (Bird, 1988).

By the way, many of the entrepreneurship models advanced in recent years are process oriented cognitive models, focusing on attitudes and beliefs and how they can predict intentions and behaviors. The complex activities of human being such as new venture creation are result of people’s cognitive processes. Humans are able to think about possible future outcome, decide which of these are most desirable and whether it is feasible to pursue attaining these outcomes. It is not reasonable to expect people to pursue outcomes that they perceive to be either undesirable or unfeasible. Therefore, an individual will choose among alternative behaviors by considering which behavior will lead to the most desirable outcome (Segal *et al.*, 2005).

### **1.1.3. Women Entrepreneurship Under the Light of Entrepreneurship Approaches**

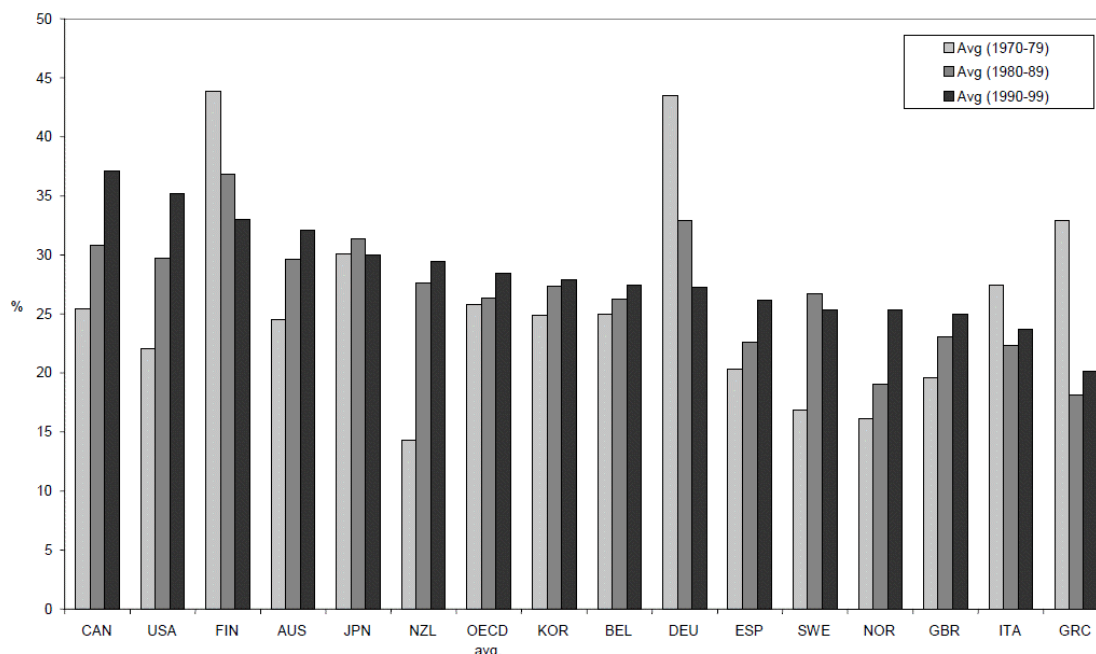
Before entering into the core explanation of the major entrepreneurship approaches to the women entrepreneur's motives, I have reviewed literature about general characteristics and distinction, role and changes of women entrepreneurs in order to understand the essence of the women entrepreneurship. In this connection the following review will begin from the general understanding of women entrepreneurs in different aspects.

#### **1.1.3.1. Women Entrepreneurship growth and research studies**

The phenomena of women entrepreneurs became apparent in the U.S. economy in the 1970s. Since 1970 there has been a steady increase in women entrepreneurs. In particular, the dimension of gender merits closer attention, as there is increasing evidence that women are starting up new businesses at a faster rate than men and expanding their share of business ownership in many countries. In recent years, women entrepreneurship has been prospering and women owned businesses, as well as women self-employment currently constitute an important and growing share of the business population in significant number of OECD (Organization for Economic Co-Operation and Development) member countries, as well as in many developing countries and economies in transition (OECD, 2001).

The second OECD conference on women entrepreneurs in SME (Small sized Enterprise) which is held on November 2000 was based on the key importance for women entrepreneurs in 21<sup>st</sup> century informed us with different findings. Following figure shows us the share of women entrepreneurs in different countries during three different decades. And obviously this gives us a clear understanding about average growth of the women entrepreneurship shares around the world toward 21<sup>st</sup> century.

**Figure 1. Share of Women Entrepreneurs**

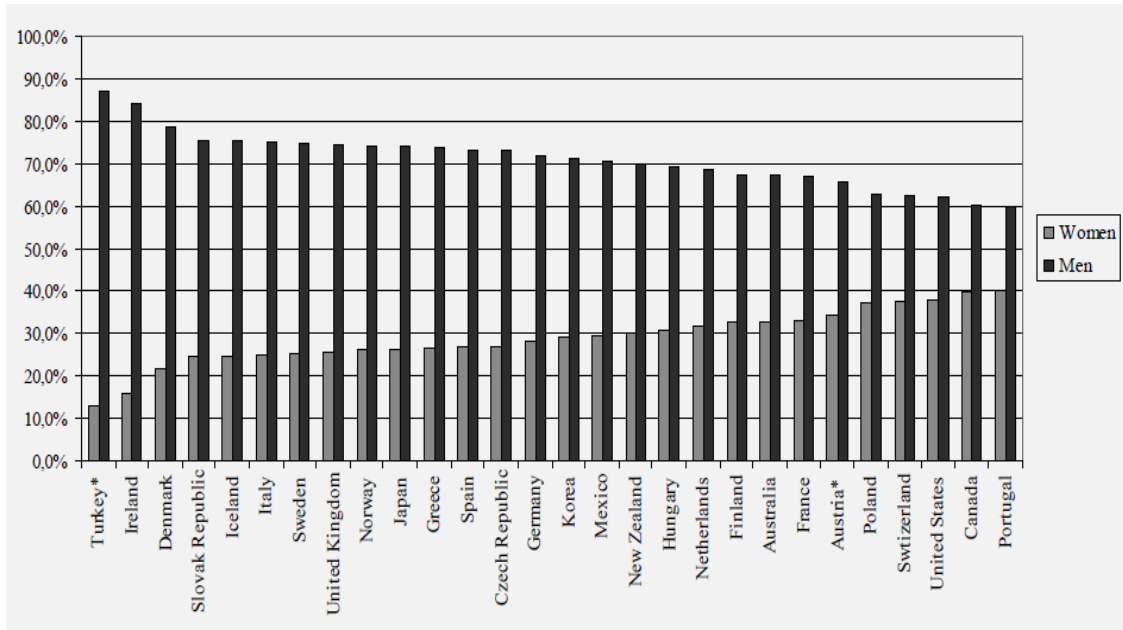


*Note:* Share of women employers and own account workers in total employer/own account workers.

*Source:* OECD Labor Force Statistics (2000)

The OECD has gathered data from member economies on numbers of self-employed (OECD, 2003). Figure 2 shows the frequency distribution of men and women employers and own account workers for a number of countries for 2000. The table is in ascending order beginning with lowest share of women self-employed (Turkey) to the highest (Portugal). There is substantial variation among the economies in the relative share of women self-employed compared to men self-employed. Still in all economies, women self-employed represent a minority of the self-employed. Turkey has the lowest share with 13% and Portugal the highest share with 40%. At the top end of the distribution we also find the United States and Canada which have 40% and 38% self-employed women respectively. However, most economies have between 22% (Denmark) and 33% (Austria) self-employed women.

**Figure 2. Women and men self employed in 28 OECD economies in 2002**

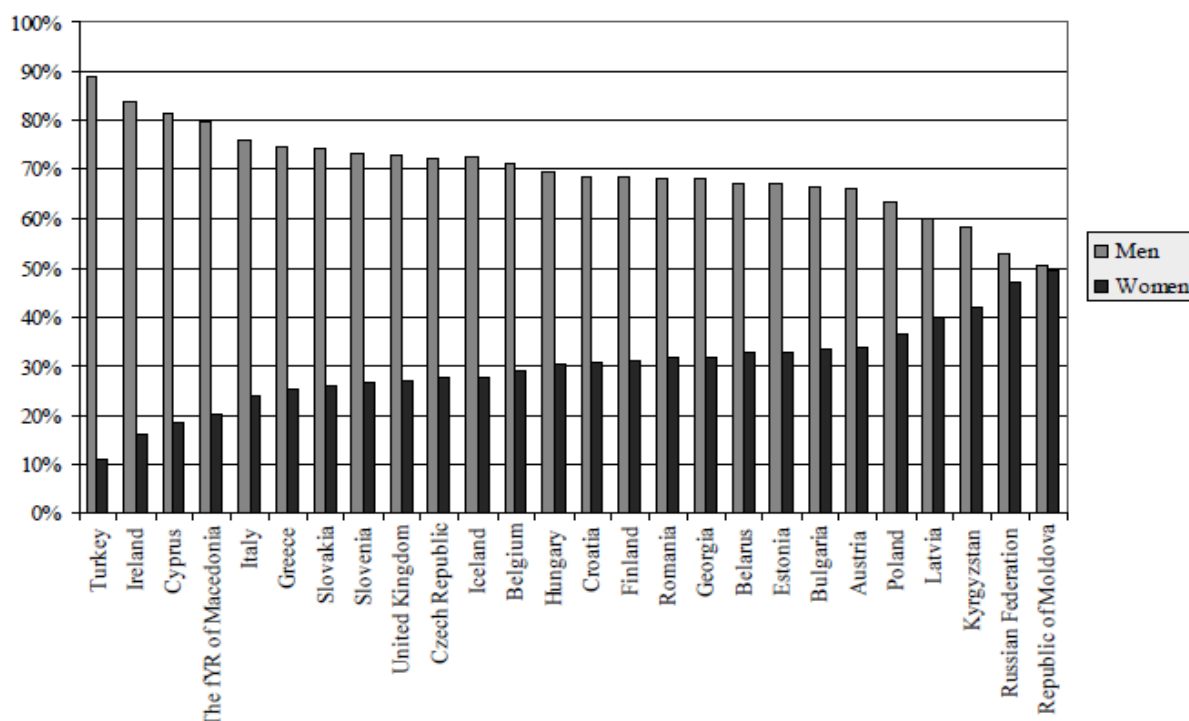


Source: OECD (2003) Annual Labor Force Statistics.

The United Nations Economic Commission for Europe also has similar data that can allow estimation of the importance of women’s entrepreneurship. Figure 3 shows the frequency distribution of men and women employers and own account workers for a number of countries for 2000. This is in ascending order beginning with the lowest share of women employers (Turkey) and own account workers to the highest (Republic of Moldavia). While there are some small differences between Figures 2 and 3, the rank ordering of the countries included in both data bases are the same. While we cannot assume that every firm included represents an independent firm, we can surely assume that the absolute majority represents privately held independent firms, thus making the available data relatively reliable for our purposes of establishing the importance of women’s entrepreneurship. In all countries surveyed, women represent a minority of the employers and own account workers, but there are important variations among the countries. The lowest shares of women employers are found to vary between 15% and 19% and the highest shares vary between 29% and 35% when excluding the extreme

cases at both ends (which might be unreliable). In total, for the 28 countries that have data available for year 2000, we find close to 10.1 million women employers and own-account workers. Hence, women employers and own account workers represent a substantial part of the entrepreneurial economy. However, it is still unable to estimate their economic impact in terms of employment, achieved sales, or GDP growth.

**Figure 3. Women and men employers and own account workers in 26 countries in 2000.**



Source: UN European Commission for Gender Statistics Database

According to the 1995 UN survey there had been changes in women entrepreneurs and their impact on the global economy. Following table illustrates women entrepreneurs' ownership facts in different countries.

**Table 1 Ownership Facts**

- Women in advanced market economies own more than 25% of all businesses
- In Japan - 23% of private firms are established by women
- In China - women founded 25% of the businesses since 1978
- In Germany - women have created one-third of the new businesses since 1990 representing more than one million jobs
- In Europe and Newly Independent States Transition Economies - women are 25% of the business owners
- In Hungary - women started more than 40% of all businesses since 1990
- In Poland - women own 38% of all businesses
- In Mexico - 32% of women-owned businesses were started less than 5 years ago
- In France - women head one in four firms
- In Swaziland - Women account for about 70% of micro, small, and medium enterprises
- In USA - women own 38% of all businesses (8 million firms), employ 27.5 million people (or 1 in 5 workers), and generate \$3.6 trillion in annual sales
- In Great Britain - Women are one-fourth of the self-employed sector
- In the EU - one-third of new businesses are started by women

*Sources:* Jalbert (2000).

Growth in many countries, whether developed, developing, or transitional, has been driven by trade. Evidence suggests a gender dimension to trade development, throughout three factors. First is the expanding private sector, where small and medium-sized enterprises (SMEs) are playing an increasingly large role in developing and transitional countries. Second is the shift in general economic policy from inward-looking, import-substitution policies to outward-looking, market-oriented strategies. Third is that an increasing number of SMEs are female owned and engage in international trade. This has enhanced the visibility of women business owners around the globe (Jalbert, 2000).

Despite the tremendous growth in the number of women entrepreneurs and their impact on the economy, there are not as many studies researching women business owners. Most of the studies on entrepreneurs have insisted researching only male (Hornaday & Aboud, 1971; Kent, Sexton & Vesper, 1982; Moore & Buttner, 1997). The reason for this might be that prior to the 1980's, women had limited access to capital and management experience for starting their business and there were not enough sources for studying women entrepreneurs. Even though women entrepreneurs have been present all throughout the history (Oppedisano, 2000), it has only been recently that attention has been paid by researchers.

In the OECD conference on women entrepreneurship in 2004 it was mentioned that women's entrepreneurship needs to be studied separately from men. The reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized (OECD, 2004).

Several studies indicate that women business owners had previous work experience in teaching, retail sales, office administration, or secretarial areas rather than executive management or technical position held by men. Because of lack of business experience and knowledge of financing, women often had difficulty in obtaining loans to start a business. On the other hand, after the 1980's a new type of women entrepreneur emerged which is called the "Second Generation" (Gregg, 1985). Many of these female entrepreneurs left the corporate world to be on their own, and to utilize their technical and educational skill. In contrast to those women business owners, the second

generation female entrepreneurs were likely to be white, average age 46, married with post secondary education with some managerial background (McAtevey, 2002). These women came to the business world with more experience, education, management experience, networks and capacity to obtain business loans.

The lack of entrepreneurial activity among women is relatively well documented. As it is mentioned, women make up only just under one third of the new enterprises, and generally women's enterprises are typically found in retail trade and the service sector rather than manufacturing. This means that on the average, women's enterprises are smaller than men's.

#### **1.1.3.2. Identifying differences between men and women entrepreneurs**

During the last decade women as entrepreneurs have been brought into sharper focus, which has led to a number of surveys, where male and female entrepreneurs have been compared. But according to Baker *et al.* (1997) surveys with the focus on women entrepreneurs still account for only 6-8 per cent of international research into entrepreneurship.

The studies confirm that there are many similarities between a male and a female entrepreneur, but that a number of differences exist, for example in connection with the motives behind the start of their own enterprise. Thus, many studies point out that empirical studies of women entrepreneurs and the development of theories about women is a neglected subject in descriptive and prescriptive research work.

However, interest is increasing as a consequence of a rapidly increasing social and industrial policy focus on the potential which motivating more women to start their own business would presumably produce.



International research into entrepreneurship, including female entrepreneurship, concludes relatively unambiguously that in many ways there are similarities between female and male entrepreneurs. However, at the same time it also concludes that there are differences in some areas, but that these should be investigated in more detail in order to gain a better understanding of the factors that influence the desire to establish oneself as a manager-owner, and the courage to realize this desire (Birley, 1985; Carter, 1991).

Kjeldsen and Nielsen (2000) mentioned the important area for investigation is the question of whether women and men have different characteristics, attitudes, motives, and ways of thinking when they consider setting up their own businesses. Several surveys are based on the assumption that men and women have different conceptions of such concepts as rationality and ethics, which influence the type of business to be established, the goals to be set, how the enterprise is organized and managed, and the types of networks to set up. It is assumed, for example, that women are motivated more by consideration for others and are more concerned about the welfare of others and about doing something for others. This is called responsibility or solicitude rationality. On the other hand, men are motivated more by purpose rationality based on individuality, "reason", and efficiency, for the purpose of pursuing some definite purposes and goals. This is also termed technical/economic rationality (Kjeldsen & Nielsen, 2000).

The majority of surveys of women's conception of their motives for starting an enterprise show that they are different from those of men. Women point out that their motive is linked to the fact that they must take their family, job, and career into account, and several surveys show that women do not identify themselves with the concept of entrepreneur, because in their opinion an entrepreneur is by definition a man, and this does not fit in with the picture they have of themselves as women (Berg, 1994). The large numbers of surveys that have focused on personally related, psychological and sociological characteristics – including also differences of gender – seem to be unable to

explain why some persons find it desirable to become entrepreneurs, and make their wish come true.

In the working paper of Kepler and Shane, Heights (2007) described a statistical evaluation of the similarities and differences between male and female entrepreneurs and their ventures. They used data from Panel Study of Entrepreneurship Dynamics with the sample of 685 new business people who indicated that they were in the process of starting a business in 1998 or 1999. The aim of their study was to better understand the extent to which entrepreneurship by men and women is different. And found out evidence that male entrepreneurs were significantly less likely than female entrepreneurs to prefer low-risk/low-return businesses. They also found an evidence of different motivations between male and female entrepreneurs. In particular, male entrepreneurs were more likely than female entrepreneurs to start businesses to make money and to believe that starting a business is more important than spending time with one's family. Male entrepreneurs were significantly more likely than female entrepreneurs to see business owners as community leaders, suggesting that male entrepreneurs are more highly motivated to start businesses to achieve recognition than women are. Finally, male entrepreneurs had significantly higher expectations for their new businesses than female entrepreneurs. Male entrepreneurs were significantly more likely than female entrepreneurs to report that they identify opportunities through research; to believe that the existence of new business opportunities depends on action; and to report that they gather a lot of new information in the process of identifying their business opportunities. Male entrepreneurs were also significantly more likely than female entrepreneurs to view as important gathering information on the odds of a positive outcome occurring with their ventures, and significantly less likely to view as important gathering information on the size of that outcome in choosing between different ventures.

Kjeld and Nielsen (2000) in their study of women entrepreneurs paid attention on the following idea in identifying differences between men and women entrepreneurs:

*"Men may be motivated by a desire "to be an entrepreneur" or not work for someone else, whereas women may wish to have "flexibility" in balancing work and family or to "help others"',*

Many attempts have been made to characterize and to divide entrepreneurs into various typologies, but many researchers take up the attitude that entrepreneurs are as different as all other persons regardless of employment and social group. Perhaps, Kjeldsen argued that generally entrepreneurs are as different as all other individuals, and that this applies also to women among themselves and when compared to men.

### **1.1.3.3. Distinctive Characteristics of Women Entrepreneurs**

Most significantly, the literature highlighted the distinctive characteristics of women entrepreneurs that distinguish them from male entrepreneurs. According to some research studies women entrepreneurs pride themselves on their strong social and interpersonal skills. Instead of operating under a rigid and authoritarian management model, these women entrepreneurs utilize a cooperative and collaborative management approach. Founded on shared participation and human relationships, women entrepreneurs utilize a strategy that involves listening and learning, rather than the pursuit of short-term profits. For female business owners, their own businesses provide them with the ideal environment for asserting feminine characteristics of leadership. In this setting, women who have left the corporate arena no longer have to reshape their values and behavior in order to blend into the male-dominated environment of the corporate world (Buttner & Moore, 1997). Because they are in control of their resources and their work environment, the female business owners can define an environment that is free from the gender inequality that permeates the corporate world (Carter & Cannon, 1991).

The display of feminine characteristics of female leadership in women-owned businesses was supported by the research study conducted by Stanford, Oates, and

Flores (1994). According to these researchers, who interviewed female business owners, many of the characteristics identified in the description of the feminine characteristics of leadership were described. For most of the study's participants, the relationships between them and their employees were based on a shared sense of commitment and respect. The participants noted that their employees were given the freedom to participate in the decision-making process as partners. In an environment that promotes growth and learning, the independence of the employees was cultivated so that they were intrinsically motivated to share the same vision as the employers.

## **1.2. THEORETICAL FRAMEWORK**

### **1.2.1. Motivation of becoming entrepreneurship**

Motivation is defined as the process that account for an individual's intensity, direction, and persistence of effort toward attaining a goal (Robbins, 2003). While general motivation is concerned with effort toward any goal, I will narrow the focus to entrepreneurship goals in order to reflect the interest of entrepreneur's behavior.

In starting up a new business there must be some factors that motivate an individual to become an entrepreneur. Because as Herron and Sapienza (1992) stated that motivation plays an important part in the creation of new organizations and theories of organizational creation that fails to address this notions are incomplete. These studies again interlinked with McClelland's work on the need for achievement (1961). He stated that the high economic and social growth in some societies fostered entrepreneurship. In his view, this growth was owing to a large segment of these societies having a high need for achievement.

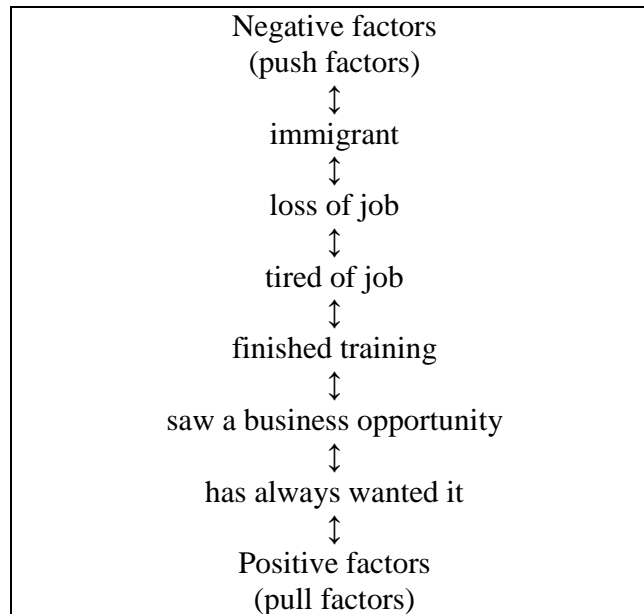
### **1.2.2. Pulled and Pushed motives**

Motivation theory argues that individuals are either pulled or pushed toward a career choice, such as becoming an entrepreneur. As in Huges's (2003) study, the motivation of becoming entrepreneurship is determined by pull and push perspectives. This gives us suggestion that there may be factors that either pull individuals toward creating new ventures or push them into it. The pull view self-employment is shaped by individual choices and agency with workers voluntarily seeking out greater independence and opportunity in expanding enterprise culture. On the other hand the push view of self-employment is generated by the outcome of downsizing and restructuring.

Gilad and Levine (1986) also proposed "pull" theory and "push" theory which closely explains the entrepreneurial motivations. The "push" theory argues that individuals are pushed into entrepreneurship by negative external factors, such as job dissatisfaction, difficulty finding employment, insufficient salary, or inflexible work schedule. The "pull" theory contends that individuals are attracted into entrepreneurial activities seeking independence, self-fulfillment, wealth, and other desirable outcomes.

In line with other researchers, Shapero and Sokol (1982) distinguish between push factors and pull factors. According to him examples of pull factors may be the entrepreneurs' realization of business prospects in the surroundings or as a wish they have always had. As shown in figure 4, these types of motivational factors are characterized as "positive" factors behind the entrepreneurial event.

**Figure 4. Motives behind a change of life**



*Source:* Inspired by Shapero & Sokol in Kjeldsen and Nielsen (2000).

In contrast to this are the push factors, also called the "negative" factors. These refer to the situation where persons have been forced to try their fortune as self-employed, for example as a consequence of changed working conditions or changed family relations. Numerous surveys have been undertaken for the purpose of analyzing whether pull or push factors are equally frequent motivational factors, surveys have shown widely different results, and therefore it has proved impossible to arrive at any final result (Kjeldsen & Nielsen, 2000).

Sriram *et al.* (2005) considered pull and push motives in explaining why some individuals may be motivated to engage urban entrepreneurship in the behaviors necessary to become successful entrepreneurs. These pull factors included the desire for independence and control, family tradition, to improve social status and the motivation to innovate and create new products. On the other hand, in the context of many minorities in some countries, push factors included discrimination, the lack of access to the labor market (often due to an unwillingness of employers to accept some groups

such as new immigrants or minorities), difficulty in meeting the required educational and other qualifications, and limited opportunities for career advancement. This may make self-employment a more viable alternative to being a salaried employee.

Shaver and Schojoedt (2007) in their study of testing pull and push motives used the panel study of entrepreneurial dynamics data and analyzed life satisfaction as a pull and job dissatisfaction as a push factor that is affecting individuals in deciding on an entrepreneurial careers. For life satisfaction they found no significant mean differences between nascent entrepreneurs and the comparison group, whereas for job satisfaction, they found a significantly higher mean for the nascent entrepreneurs than for the comparison group. As these results show little about nascent entrepreneurs being pulled into an entrepreneurial career, the results have to be taken as strong evidence against nascent entrepreneurs being pushed toward an entrepreneurial career due to less job satisfaction in their pre-entrepreneurial employment.

For the motivation of women entrepreneurs there is a great deal of research into women business owners which has concentrated on what motivates them to start up business operations. Most surveys that have been carried out have found quite similar motivation between men and women, with independence and the need for self-achievement always ranked first ( Sarri & Trihopoulou, 2004). Similarly push and pull factors are common way of explaining different motives behind why women start business (Brush & Hisrich 1999; Buttner & Moore, 1997). Push factors refer to necessities such as unemployment, glass-ceiling, redundancy, recession, financial reasons (inadequate family income), dissatisfaction with being employed, or the need to accommodate work and home roles simultaneously. Pull factors are related to a need for independence, need for achievement, financial reason (desire for profit wealth) personal development, self-fulfillment, social status and power.

Huges (2003) analyzed women entry into self-employment through motivation theory of push and pull factors. He analyzed the reasons over the debate that women

have been pulled into self-employment by the promise of flexibility, independence, and the opportunity to escape barriers in paid employment, and women have been pushed into it as restructuring and downsizing has eroded the availability of once secure jobs in the public and private sector.

In the working paper of Walter and Kolb (2006), provided evidence to support this type of pull and push factors in Latvia. They have evidenced that some female nascent entrepreneurs are pushed by negative circumstances such as unemployment, while a large proportion is pulled by positive opportunities. One-quarter state that they have a job, but are looking for other opportunities in starting their venture, while nearly 39% wanted to pursue an opportunity, compared to 41% of men. However, the share of women being pushed into entrepreneurship is comparatively higher, with 23% for women and 16% for men.

Sarri and Trihopoulou (2004) explored the motives of women entrepreneurs in Greece through the analysis of the findings of research carried out by the Ergani Center, and covers business start ups for a period of ten years (1990-2000). According to their findings, women entrepreneurs in Greece seem to be motivated more by pull factors that are mainly related to economic reasons such as desire for profit wealth and self-fulfillment, including the needs for creativity, autonomy and independence. The less motivation factors that pushed women to entrepreneur's activities are financial reasons and unemployment (inadequate family incomes), personal or family needs that are need for flexible work schedule. In considering these findings, the most important motives that have stimulated women to become entrepreneurs, it could be argued that these are a combination of push and pull factors in such a way that women are more "pulled" than "pushed" to create their business.

Even though motives differ depending on the country, time period, and group of women, the prevalent trend in most European countries is pulled factors as opposed to "no other choice". In France, for example "push" factors do not dominate, in Italy



women entrepreneurs tend to fall within the “lifestyle entrepreneurs” category, meaning they are motivated by being in control of the choice of the kind of work they undertake in order to apply their knowledge and develop their expertise (Orhan & Scott, 2001).

In the review paper of a survey, designed by Hogeschool van Amsterdam, reports that the most frequently cited motives for women to start a business were: economic independence (47 percent), combining work and family (17 percent), and wanting to be one’s own master (16 percent). In Portugal, “personal achievement” was found to be a women driving force for starting a business. In New Zealand, when mid-career women cannot meet their need for challenge, flexibility and career advancement, they opt for self-employment. Therefore, it is important to point out that women entrepreneur in Greece, in New Zealand and in other European countries such as Holland, France, Italy and Portugal cannot be considered “accidental” entrepreneurs pushed into heir present activity only by unemployment, redundancy or job insecurity (Sarri & Trihopoulou, 2004).

As we have reviewed the pull and push factors in different research studies, it can be summarized that women’s entering into business is effected by main pull factors, which is identified by the individual’s personal characteristics, are desire for profit wealth, desire for independence or autonomy, self-fulfillment, opportunity perception, need for achievement, family business, and risk taking propensity. On the other hand, main push factor which is characterized by the negative effects of environmental factors, are job dissatisfaction, glass-ceiling, unemployment, family reason.

In the next section, we briefly review the findings of previous researchers about how women motivated to be engaged in entrepreneurial activity, considering under the light of major entrepreneurship approaches and using factors to formulate hypotheses that we would expect to be supported in our investigation.

### **1.2.3. Factors influencing women entrepreneurship**

There are several research studies that have focused on different factors influencing on entrepreneurship motives and the main factors that are influenced on women entrepreneurs are selected according to the most reviewed papers in order to build theoretical model for the current study. Hence, the theoretical framework of our study regarding factors influencing on women entrepreneurs is based on the following factors which are unemployment, family reason, glass-ceiling, job dissatisfaction are defined as push factors and desire for profit wealth, desire for independence or autonomy, self-fulfillment, opportunity perception, need for achievement, family business, and risk taking propensity are as pull factors.

#### **1.2.3.1. Push Factors**

##### **1.2.3.1.1. Unemployment**

The unemployment rate constitute the basic theoretical variable of the push model, since it is the statistic which best reflects the problem of integration in the labor force (Roy, Toulouse & Vallee, 1994). In this connection, the movement into self-employment around the world reflects the restricted structure of opportunities in the labor market. ( Shapero & Sokol, 1982). This approach was argued by authors for years that difficult economic conditions, particularly at the level of employment, encourage the process of firm creation. The key historical precedent on this approach is Knight's (1921) insistence that an individual would switch from employee to employer depending on the relative expected return in these two types of activities.

Starting from the premise that new firm creation implies the movement from paid employment (or unemployment) to self-employment, it has been argued that the formation or transfer decision will made when perceived net benefit (monetary and non-monetary) of self-employment exceed those of remaining in paid employment. A fall in

paid employment with self-employment will push a latent entrepreneur into self-employment. According to this theory, a rise in the unemployment rate constitute push factor because the perceived threat to job stability and security in paid employment increases and the desire to assert independence and be responsible for ones own future become more significant (Roy *et al.*, 1994).

In the Knight frameworks, even though the expected income from self-employment is low, it is higher than the expected income from unemployment or from searching for some employment as an employee.

Storey and Jones (1982) conducted a survey of 156 new entrepreneurs in the region of Cleveland, UK, at 26 percent of respondents claimed to have been unemployed immediately prior to going into business.

Barkham *et. al.*, (1996) administered a questionnaire to about 120 new entrepreneurs in three regions of the UK. Most of these respondents declared that they were pushed toward entrepreneurship (32%) and that they were unemployed immediately prior to creating new firm (27%).

Kautonen (2008) in his research study for the entrepreneurship, compared Third Age (50+ years) and Prime Age (20-49 years) entrepreneurs in Finland , and he revealed that five percent in the total Third Age sample had been unemployed for more than a year before starting the current business, unemployment or its threat being a major 'push' factor. The data comprises responses from 839 small firms which were established 2000-2006. The fact that 16% of these firms were founded by individuals aged 50. This result shows that 9.5% of all businesses established between 2000 and 2006 in Finland were founded by individuals aged 50 or over who transferred from paid employment, unemployment or retirement to self-employment without previous entrepreneurial experience.

Indeed, in countries where there are substantial economic and institutional deficiencies, self-employment often may be a survival strategy. Similarly, substantial economic transitions may lead to worker displacement and therefore to entrepreneurship as a means of avoiding unemployment. Thus, self-employment represents the ‘unemployment push’ as important implications for evaluating the success of economic transition in different countries. This view can be plausible when we consider changes in post-socialist countries in the 1990s. Rapid liberalization created new opportunities for entrepreneurship, but post-socialist countries have also experienced severe recessions associated with the collapse of the state-owned industrial sector, the rise of unemployment and the fall of the employment rate (Saar & Unt, 2008). However, in countries with the economic changes women are mostly unemployed than men. This is confirmed in the Economic survey of Europe in 1999 that women unemployment rates were higher than men’s in many of transition countries (UNECE, 2004).

The post-communist decline of state organizations in many countries, e.g., was followed by a surge in self-employment among both women and men. According to Global Entrepreneurship Monitor report on Women and Entrepreneurship (2004), the data show that there is a negative correlation between female entrepreneurial activity and both current and long-term levels of female unemployment. The results are stronger for low income countries that can include countries with transition economies. Higher levels of unemployment for both men and women are most likely associated with a reduction in the demand for goods and services. This decline, in turn, reduces the opportunities and expected profits for potential new firms thereby discouraging the rate of new business formation.

In some countries, women’s entry into self-employment may be easier than overcoming barriers to entering formal sector jobs. According to Mroczkowski’s (1997) notes that many women in Poland began their businesses to escape unemployment resulting from the post-communist transformation. Especially in the early years of transformation, unemployment coupled with labor market discrimination—women were

generally the first to be fired and the last to find new employment—led many women to start their own firms in transitional economies (Baughn *et al.*, 2006).

Economic changes such as downsizing, redundancy in many countries lead to the unemployment which can push individuals into self-employment. Especially for women redundancy was a primary reason for becoming self-employed as they were suffered from no longer need for a job and therefore they were out of work. For this reason push of economic necessity such as job loss and lack of job opportunity which results unemployment had been encouraging women to become self-employed (Hughes, 2003; Sarri & Trihopoulou, 2004). Walter and Kolb (2006) are also has provided evidence to support this type of push factors in Latvia. They have evidenced that some female nascent entrepreneurs are pushed by negative circumstances such as unemployment. Thus, our first hypothesis is as follow;

H1: Unemployment is positively related to women's entrepreneurship motivation.

#### **1.2.3.1.2. Job dissatisfaction**

Job satisfaction represents a person's evaluation of his or her job and work context. It is an appraisal of the perceived job characteristics and emotional experiences at work. Satisfied employees have a favorable evaluation of their job, based on their observations and emotional experiences. Employees can be satisfied with some elements of the job while simultaneously dissatisfied with other (McShane & Glinow, 2003).

According to Herzberg's theory, the opposite of satisfaction is not dissatisfaction as was traditionally believed. He argues that what cause us to be satisfied is different than what causes us to be satisfied and engaged in our job. Job satisfaction is related to such intrinsic factors as advancement, recognition, responsibility, and achievement, while job dissatisfaction is related to extrinsic factors, such as supervision, pay,

company policies, and working conditions (Robbins, 2003). Herzberg named these job dissatisfaction factors as a “Hygiene factors” and when these factors are adequate people will not be dissatisfied.

Employees became dissatisfied with their employment relationship, which motivates them to search for another job. Job dissatisfaction, which pushes employees out of their current job, has a greater effect on starting up their own business that is self-employment than incentives that pull them into new salary job. This reason explains us that good employees are less motivated to stay in their current job.

There are several studies regarding job dissatisfaction effect on starting up one’s new business. The most widespread study about job dissatisfaction and its effect on starting entrepreneurship activity was Brockhaus’s (1980) study. He examined if dissatisfaction with a previous job was what pushed entrepreneurs to create new ventures. Comparing two groups of entrepreneurs and managers, Brockhaus found that entrepreneurs were more dissatisfied than the managers with all aspects of their previous job with the exception of pay. In this connection we can summarize that Brockhaus found that job dissatisfaction as a major reason that pushed individuals to become entrepreneurs.

Another research study which is done by Cromie and Hayes (1991) among pre-entrepreneurial job, it has been noticed that issues associated with superior-subordinate relations clearly implicates job dissatisfaction as a factor that pushes individuals to engage in entrepreneurship activity.

As regards to women job dissatisfaction is also take similar reason with others as the push factor to the self-employment. Usually women are more dissatisfied with their careers and see entrepreneurship as a means of accommodating their work and child-caring roles simultaneously (Cromie, 1987).

Ahmed (2005) in his research study explored some of reasons why Jordanian women choose to develop their entrepreneurial business. And he found that job dissatisfaction is the reason for women to start their own business and these women are 35 years old and above. Thus, our next hypothesis is built as;

H2: Women entrepreneurs are motivated to start up their business by the result of job dissatisfaction in previous jobs.

### **1.2.3.1.3. Glass-ceiling**

The term glass ceiling refers to situations where the advancement of a qualified person within the hierarchy of an organization is stopped at a lower level because of some form of discrimination, most commonly sexism or racism. In this study the term refers to the barriers that can exist to thwart a women's rise to the top an organization that one provides a view of the top, but ceiling on how far a woman can go (Sweeney & McFarlin, 2002).

In 1986, the Wall Street Journal reported the phrase "glass ceiling" to describe the invisible barrier that blocks women from the most senior positions in corporate America (Mattis, 2004). Other researchers have documented the persistence of the glass ceiling in limiting women's career advancement (Battner & Moore, 1997; Mattis, 2004; Baughn *et al.*, 2006).

Carter and Marlow stated that gender inequality creates forces that may increase or decrease the level of women's participation in entrepreneurship. For example, participation of women in entrepreneurial activities may result from their increased participation in the labor market as a whole. But an increasing proportion of female entrepreneurs may also result from labor market discrimination or "glass ceiling" career problems (Baughn *et al.*, 2006).

Battner and Moore (1997) also argued that women become entrepreneurs due to blocks in career advancement as a result of gender discrimination, resulting in the term glass-ceiling effect that women cannot access the highest levels in an organization or corporation due to their gender.

Mattis (2004) analyzed the United States national representative sample of women business owners through interviewing by telephone to understand better the glass-ceiling term focusing on women business owners who left corporate careers to start their own. In this study, the researcher wanted to examine the extent to which the glass ceiling and glass walls are contributing to women's exodus from corporate America.

Respondents' experiences with corporate "glass ceilings" and "glass walls", such as lack of flexibility and challenge, lack of role models and mentors, lack of access to line positions with concomitant entrepreneurial opportunities, and failure of organizations to credit and reward women's contributions, are examined.

The finding of Mattis is that nearly one-third (29 percent) of women business owners in this study previously employed in the private sector cited the glass ceiling and dissatisfaction with the work environment (28 percent) at their former employer as a reason they left to start their own business. Women with non-private sector backgrounds were less likely to say they had experienced a glass ceiling (16 percent, or that they were unhappy with the work environment at their former place of employment (17 percent). As for this regards according to many research studies about women entrepreneurs we can say that women start their own businesses as away of avoiding the glass ceiling in large corporations and the academic world. Thus, the next hypothesis is built as:

H3: Women start their own businesses because of the glass-ceiling in their previous work places.



#### **1.2.3.1.4. Family reason**

Several studies suggested that many women have become self-employed due to economic necessity. In this connection, the economic necessity generated another factor of push that enables women to take care for their family financially by themselves during harsh economic condition. Such hard conditions increased responsibilities of the woman to care for the family taking additional role of becoming the bread winner (Finlay, 2008).

In Hughe's (2003) women were forced in self-employment because of the importance of family reason that is raised from the economic necessity. Sarri & Trihopoulou (2004) underlined that inadequate family incomes pushed many women's to become self employed in order to solve the financial reason of their family. In consequences, while many women attempt to improve their family incomes the financial reason is meant in term of family reason. Thus, family reason pushed women to become entrepreneurs and the next hypothesis is

H4: Women entrepreneurs have started their own businesses because of their family reason.

#### **1.2.3.2. Pull Factors**

##### **1.2.3.2.1 Family business**

Family business is another factor that pulled individuals to start their own businesses. The family business success can be resulted form the existence of role models within the close environment and the reliance on a partner's expertise.

Bates (1988), analyzed the samples of business owners throughout family business background study are drawn from characteristics of business owners. When he carried survey asking, "Prior to your going into business, had any of your close relatives

ever owned a business ...,"1 41.9 percent of respondents from the sample responded affirmatively. "Close relatives" included parents, brothers, sisters, spouse, or other relatives with which the owner had frequent contact. In Hughes (2003) study it was reviewed that, the most commonly cited findings come from Statistics Canada's 1995 Survey of Work Arrangements, which asked respondents about their 'main reason' for becoming self-employed. The top three reasons were a desire for independence (41.8% of responses), involvement in a family business (17.1% of responses) and a lack of other available work (12.0%). Shapiro (1975) also found that more than 50 percent of the entrepreneurs he studied had self-employed fathers.

A considerable proportion of respondents (19 interviewees) stated that they were influenced by their family environment, whether because of direct succession into a family business, or through the influence of a role model who provided encouragement, or because a partner such as spouse was backing the entrepreneurial project, with expertise or finance. This was a very high proportion and family influence appears to have played an even stronger role in the case of women rather than in the case of men entrepreneurs.

A woman-owned firm is often defined as firm where a woman owns more than 50% of ownership and family business represents one of the largest groups of firms (OECD, 2004). In most family businesses, the husband and wife manage the firm together, but equity might not be divided equally. Often for reason of external legitimacy, the husband has the majority ownership, but the couple considers the firm as their joint asset and both often work to an equal extent in the firm. On the other hand, women start their businesses with the help of their cloth relatives, usually husbands.

Mattis (2004) stated that family history seems to have been an important influence on these women's work-related decisions. Over half (55 percent) of the women interviewed for her study reported that a member of their immediate family was a business owner while they were growing up.

Bates (1988), analyzed the samples of business owners throughout family business background study are drawn from characteristics of business owners. When he carried survey asking, "Prior to your going into business, had any of your close relatives ever owned a business ...," 41.9 percent of respondents from the sample responded affirmatively. "Close relatives" included parents, brothers, sisters, spouse, or other relatives with which the owner had frequent contact. Thus, our next hypothesis will be:

H5: Family business has an effect on women entrepreneurs in starting up their own businesses.

#### **1.2.3.2.2. Opportunity perception**

The opportunity perception characteristic of entrepreneurs is well described in the light of Austrian entrepreneurship theory of Israel Kirzner (1979). Kirzner emphasized that the entrepreneur is the person who is alert to the opportunity. He says the entrepreneur recognizes and acts upon market opportunities. The entrepreneur is essentially an arbitrator.

Many research studies indicated that opportunity perception is another reason that pulls women into entrepreneurship activities (Baughn *et al.*, 2006; Lisowska, 1997). Their opportunity seeking characteristics can be said as a personal characteristic that attract women to be self-employment. Higher wages and the security of professional earnings increase the attractiveness of wage employment as well as the opportunity cost of self-employment. Women who are interested in businesses tend to perceive opportunity to utilize potential skills and abilities, personal creativity and innate spirit of entrepreneurship to the full extent. Moreover opportunity can be perceived from the economic changes in transition countries that are provided by rapidly expanding market economy. Again in Lisowska's (1997) study in three different countries made clear that opportunity to make money is also an important issue that is perceived from the market economy.

This can be viewed from the GEM study in 2004 among its member countries. Opportunity entrepreneurship estimates the number of people who choose to start their own business as one of several desirable career options. In other words, opportunity entrepreneurship reflects the desire to take advantage of an entrepreneurial opportunity. Among women involved in starting a new business, 71.4% of women choose entrepreneurship in order to exploit an opportunity.

As women similarly with men have personal characteristics of opportunity perception that can be emerged from the economic opportunities to earn money and gain benefits, our next hypothesis is based on:

H6: There is high involvement into women self-employment when opportunity perception is high.

#### **1.2.3.2.3. Tolerance for risk**

There are many factors can be accounted that may affect the decision to become an entrepreneur. One of the distinctive personal characteristics of individuals to become entrepreneurs is risk taking propensity. As for this matter many researches defines entrepreneurs as “those who create and grow new enterprises and demonstrate characteristics of risk-taking and innovation” (Giovannelli *et al.*, 2003).

Psychological approach insists that characteristics of risk taking found among entrepreneurs, theorizing that successful entrepreneurs are less risk averse than non-entrepreneurs. This argument reflects the more general belief that entrepreneurial entry requires a more risk-seeking attitude. McClelland (1961) also indicates risk taking propensity as one of the major characteristics of entrepreneurs. He described entrepreneurs as leaders who were proactive and committed to others, enjoyed taking personal responsibility for their decisions, preferred moderate risks, enjoyed feedback on their performance, and disliked routine and repetitive tasks.

Risk can be generated because of the uncertain situation that entrepreneurs face in their business lives. In this situation entrepreneurs decide how much risk to take in order to gain returns. This tolerance for risk propensity of entrepreneurs was built in Frank Knight's (1921) definition of entrepreneurship. Knight discussed what will happen if uncertainty is introduced to the economy. "With uncertainty present, doing things, the actual execution of activity, becomes in a real sense a secondary part of life; the primary problem or function is deciding what to do and how to do it". Thus, risk can be understood as the opinion of the entrepreneur regarding his ability to forecast the future correctly.

However, according to Wood (2005) the entrepreneur does not bear risk. Because the entrepreneur has supreme confidence in his ability to forecast correctly and so he knows what will be occurred. He acts in a way in which other market participants, who perceive the uncertainty of the future and do not believe they can correctly foresee what will occur, cannot act. The analysis of many economists of entrepreneurial action is therefore misconceived because the economists think that the entrepreneur engages in some sort of probability calculus to choose the course of action with the highest "expected value", this is not correct: the entrepreneur knows what will occur if he acts as he chooses. Thus, Wood says "Risk is not the possible variability of future conditions, nor is it the unknown future which may occur; but rather risk is the opinion in our minds regarding our ability to forecast the future accurately. The risk we perceive in a situation is our perception of our ability to forecast the future outcome correctly. If we believe we are forecasting accurately, we bear no risk".

In psychological characteristic of personality trait entrepreneurs have a high risk taking propensity. However Sexton & Bowman (1985), stated that the overall evidence showed entrepreneurs are moderate risk takers and do not significantly differ from managers or even the general population.

Van Praag et al. (2002) found that entrepreneurs were more willing to gamble than employees, and individuals who like to risk were more likely to choose to become entrepreneurs. Another research study also showed that entrepreneurs generally take medium risks (Collins T. Y., 2007), but women are less risk takers than men entrepreneurs.

The results of surveys carried out by Lisowska (1997) among of UNECE countries in transition showed that many women are not afraid of risk-taking and like challenges. As for this reason it can be said that there is a steady increase in women's entrepreneurship activities.

In the research study of Kepler *et al.*, (2007) it shows that the greater preference of female entrepreneurs for businesses with a low risk-to-return ratio rather than high risk-high return ones is robust to the inclusion of the control variables. Other research study it is said that entrepreneurs take calculated risks. Because there is certain amount of risk with any business venture and those ventures with greater returns frequently require more risks (Tesreau K. & Gielazauskas V.). From these results it can be noticed that women entrepreneurs are reluctant to take higher risks, and the hypothesis can be built as:

H7: Women entrepreneurs are moderate risk-takers.

#### **1.2.3.2.4. Desire for profit-wealth**

Desire for profit-wealth is identified as economic or financial reason that pulls individuals to start up their own businesses (Sarri & Trihopoulou, 2004). Profit-wealth in the context of self-employment refers to the increase in the value of the firm as well as in salary and benefits. The amount of wealth that one can accumulate through working for an organization is relatively fixed, whereas in self-employment the opportunities to acquire wealth are infinite (Geldereren *et al.*, 2008). This challenge for the

individuals can pull them to earn more money and fulfill their excess needs. Gelderen *et al.* (2008) found that the expectations of wealth and income attainment do not compensate for that, as those preferring organizational employment generally expected to earn more working for an organization, whereas those preferring self-employment expected to attain more wealth and income being self-employed. In the research study among undergraduate students, twenty-four percent of the respondents indicated that they had been involved in the creation of a business that created new wealth (DeTienne & Chandler, 2007).

Kepler *et al.*, (2007) measured the motivation to start a business to earn money among men and women entrepreneurs and the measurement was composed of the following items measured through the statements as, I started this business “to build great wealth or a high income;” “to earn a larger personal income;” and “to build great wealth or a higher income.” Also his result was similar with other studies that the motivation to start a business to make money was statistically significant.

As Mises said "The entrepreneur sees only profits," entrepreneurs earning profit-wealth perception can be the most important factor among others for establishing their own businesses (Wood, 2005). Thus, the last hypothesis is:

H8: Women entrepreneurs are motivated by desire for profit-wealth in starting up their businesses.

#### **1.2.3.2.5. Higher order needs**

In the theory of motivation, Maslow developed hierarchy of needs theory consisting of five theory- psychological, safety, social, esteem, and self-actualization. Maslow separated five needs into higher and lower orders. Psychological and safety needs were described as lower-order and social, esteem, and self-actualization as higher-order needs (Robbins, 2003). The higher-order needs are satisfied internally when

entrepreneurs possess such characteristics as desire for independence, need for achievement and self-fulfillment similarly tells us in many research studies as factors of pull effect in starting their own businesses ((Lee, 1997; Lisowska, 1997; Buttner & Moore, 1997; Zapalska's, 1997; Sriram *et al.*, 2005; Baughn, *et al.*, 2006; Cately & Hamilton, 1998; Collins, 2007; Shaver & Schojoedt, 2007).

#### **a) *Desire for independence***

The basic difference between the role of an entrepreneur and an employee is the ability to conduct his or her job independently. While choosing to be entrepreneurs, individuals in business ownership should have a higher need for independence with the emphasis of autonomy than those who choose to stay in paid employment (Lee, 1997). In this regard, where one has a choice between self-employment and paid employment, the pull factors, that reflect the anticipated satisfaction of entrepreneurship, will also come into play. Pull factors may also reflect opportunities for independence as well as the perceived success and satisfaction experienced by entrepreneurs. In this connection many of past studies showed that entrepreneurs have a higher need for independence i.e. autonomy, than the general population (Baughn *et al.*, 2006).

The reason for women entrepreneurs to start their own business similarly with men can also be the need for independence that wishes to direct one's own life and achieving personal goals. According to Zapalska's (1997) research study on women entrepreneurs in Poland, she found that independence is one of the main reasons among others that motivate them to start their own business. She carried out survey via telephone among 150 entrepreneurs including 40 women between 1994 and 1995 and it is recognized that they were mainly: quest for independence, need of achievements and satisfaction from work, economic necessity, need to earn money because it is a measure of success, and aversion to dependency. In general, women significantly more often declared that they did not like their bosses and claimed that they could have done much better individually or by themselves and thus they had decided to start their own business.



In Ewa Lisowska 's (1997) investigation on women's entrepreneurship in three different countries of Europe (Poland, Lithuania, and Ukraine) she found that women in these countries declared that independence among three others (innate spirit of entrepreneurship and aspiration) is the most important factor motivating them to work on their own account. Compared to paid employment, business ownership offers individuals a greater level of freedom in conducting work and personal life.

#### **b) *Need for achievement***

The need for achievement is one of the personality characteristics of entrepreneurs which are studied in psychological literature. This characteristic was developed and identified by David McClelland in 1961 considering such people who have a compelling drive to succeed. They are striving for personal achievement rather than rewards of success. They have a desire to do something better or more efficiently than it has been done before. This drive is the achievement need (Robbins, 2003). McClelland found that higher achievers are differentiate themselves from others by their desire to do something better. He described entrepreneurs as leaders who were proactive and committed to others, enjoyed taking personal responsibility for their decisions, preferred moderate risks, enjoyed feedback on their performance, and disliked routine and repetitive tasks. McClelland is singularly noted, however, for his belief that the crucial characteristic of successful entrepreneurs is a need for achievement rather than a desire for monetary gain Collins, (2007). Moreover concept of need for achievement is emerged from the research studies that are based on men. Later researches included women in their research in need for achievement and measured whether women scored as the men (Hurely, 1999). Hisrich and O'Brien found men and women founders to have high need for achievement which they related to the formation of their own businesses (Cately & Hamilton, 1998).

Obviously, need for achievement distinguishes entrepreneurs from non-entrepreneurs (Herron & Sapienza, 1992). Greer (2007) in her research study compared

and contrasted women business entrepreneurs with women barrel racers (also referred as world athlete entrepreneurs). She has conducted questionnaire among twenty-five world athlete entrepreneurs and twenty five women business owners and found that the two entrepreneur groups are different with the need for high achievement. Findings showing flexibility to be a main motivational target for Women Business Entrepreneurs relate to past studies claiming flexibility to be an additional, attractive factor.

Lee (1997) also did research study using the need for achievement factor in exploring the motivation behind women's occupational choice of becoming a business owner instead of an employee in Singapore. He found that women entrepreneurs have a higher need for achievement than women employees. This finding was conducted by Z-test and supported the hypothesis. The regression analyses which is conducted for the same factor at a significance level of 0.05, explained 98.53 per cent ( $R^2=0.9853$ ) of variation and the result says that university education have the greatest impact on the need for achievement of women entrepreneurs.

### **c) *Self-fulfillment***

Self-fulfillment also represented as one of the personal characteristics of entrepreneurs which is best identified as a pull factor of becoming business owner. However self-fulfillment is the most significant measure of success for women entrepreneurs. Because women are more likely than men to cite personal interests, a desire for self-fulfillment, and job satisfaction as their reasons for starting business (Kepler *et al.*, 2007). Battner and Moore (1997) found that women chose self-fulfillment and goal achievement as primary measures of success rather than financial profitability. Weiler and Bernasek also stated the reasons that self-fulfillment aspired as non profit goal is the most significant measure of success for women entrepreneurs (Collins, 2007).

The women who began their own business to seek a challenge measured success first in terms of level of self-fulfillment and second in terms of profit. Women entrepreneurs seemed to measure success internally by professional development, skill improvement, and personal growth rather than externally by profits or business growth. Because it only took profit into account, the traditional measure of success was only half the picture of the success of women entrepreneurs. Women viewed the decision to start a business as a life strategy rather than as a career (Buttner & Moore, 1997).

Shaver and Schojoedt (2007) are also found that self-realization suggests the reason of self-employment that pulls respondents toward expectation of increased life satisfaction. From this point we can make conclude that self-realization factor is subject to self-fulfillment through the steps of educational and career advancement. Thus, the last hypothesis is based on:

H9: Women entrepreneurs are motivated by a higher order needs of need for independence, need for achievement, and personal self-fulfillment characteristics in starting up their own businesses.

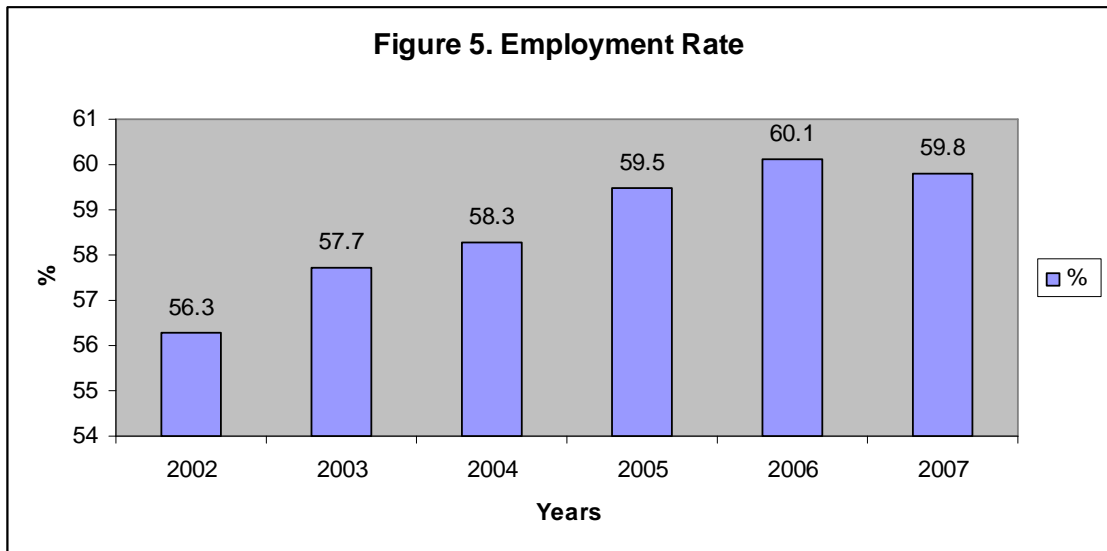
## **PART II**

### **METHODOLOGY**

#### **2.1. PROFILE OF WOMEN ENTREPRENEURS IN KYRGYZSTAN**

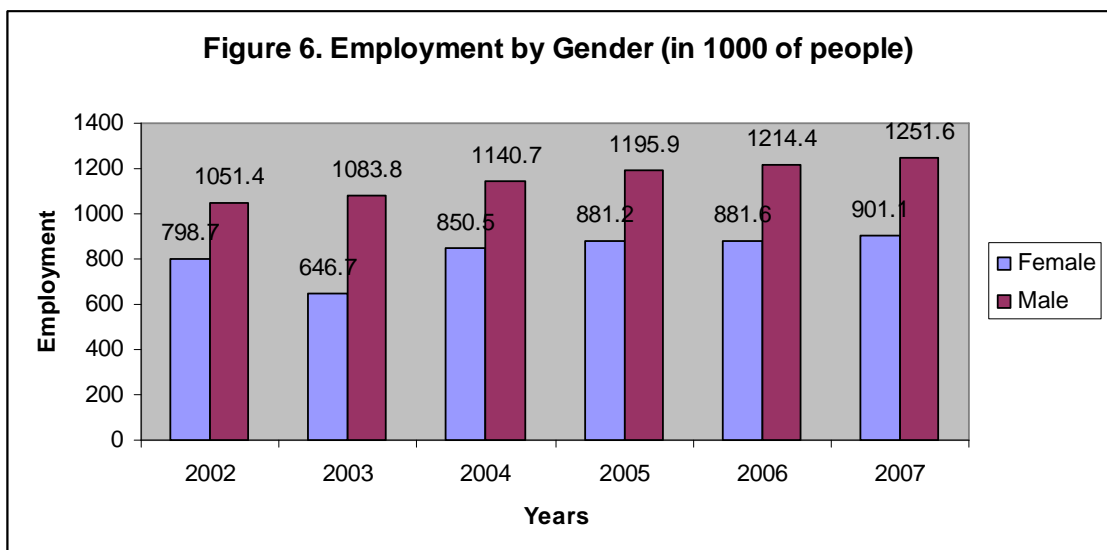
The statistical data concerning women entrepreneurs or women entrepreneurship is rare not only in a less developed country like Kyrgyzstan but also in developed countries as well. Most related studies in other countries draw on small samples, often without a control group, while large-scale survey are mainly conducted by statistical offices. In this study I have concentrated on different sources in order to examine entrepreneurship in Kyrgyzstan taking into account that data are not always comparable. Therefore, a broad and general statistical basis concerning Kyrgyz population and employment is provided by the National Statistics Committee of Kyrgyz Republic. But more specific data about women entrepreneurship in Kyrgyzstan which is collected by survey questionnaires, which will be mentioned in the latest section of this part.

According to Kyrgyz Statistics Committee in 2008 women comprised nearly 50.6 percent of the Kyrgyz population which is 5.25 million people that makes less significant difference than male (49,4%). The employment rate has sharply decreased after the collapse of the Soviet Union and since 1996 the number of employed person has continually increased. In 2006 it had the highest growth and reached its peak making a total of 60.1 percent growth (Figure 5).

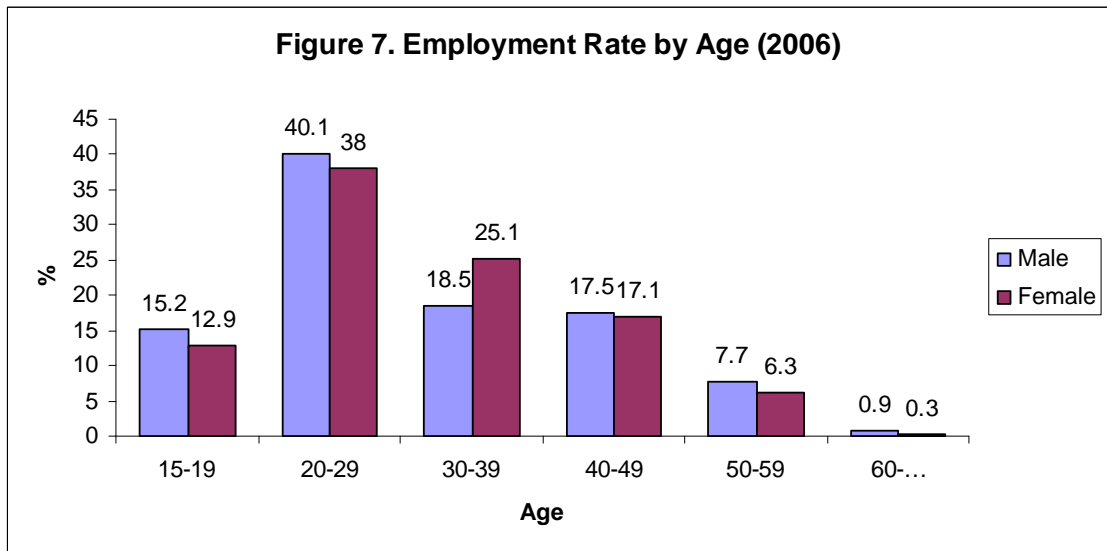


Source: National Statistics Committee of Kyrgyzstan (2008).

By 2007 about 901100 women had a job (see Figure 6) consisting of 41.8 percent of total employed person. Comparing to male counterparts women employment does not show the significant growth. In 2006 total of 881,600 employed women made up approximately 49.3 % of all labor force women.



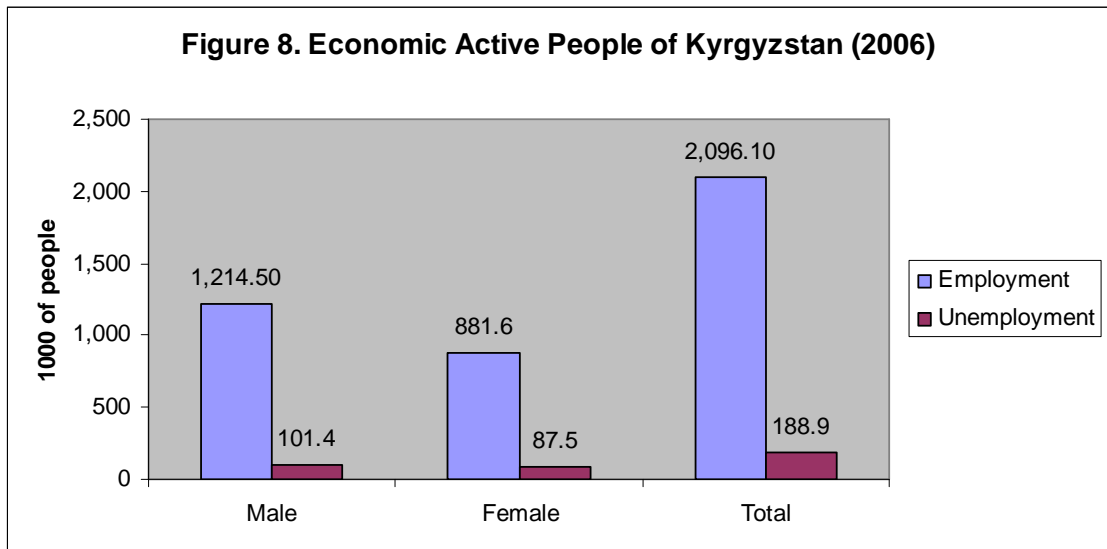
Source: National Statistics Committee of Kyrgyzstan (2008).



Source: National Statistics Committee of Kyrgyzstan (2008).

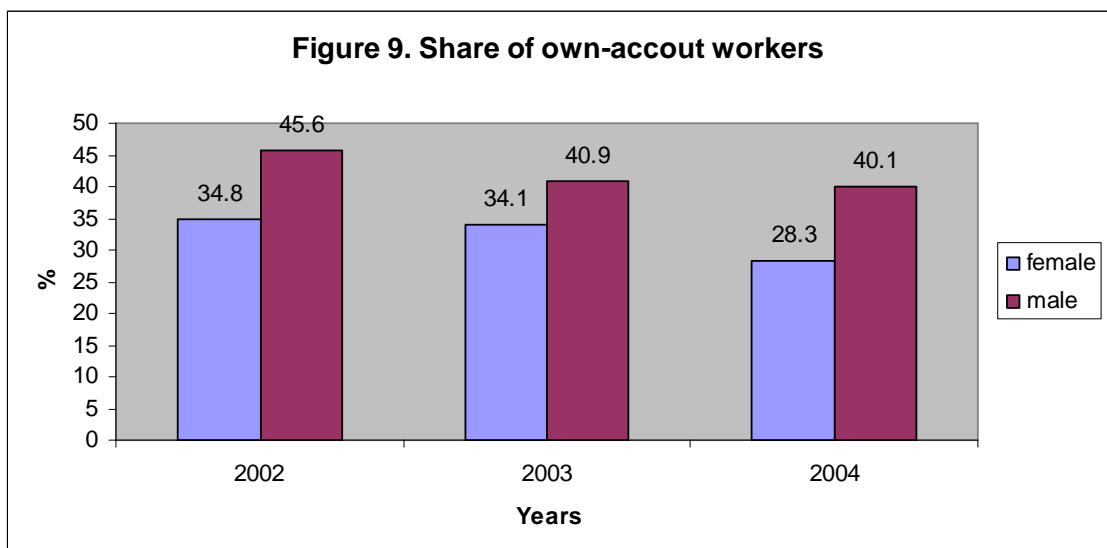
In Figure 7, it can be obviously see that people between 20 and 29 age comprise more than one third of total employment of Kyrgyzstan and the there is less significant difference between the rate of male and female employment. However, female employment exceeds the rate of male employment between 30-39 ages and it is almost equal between 40-49 ages.

On the other hand unemployment rate also has its changes in Kyrgyzstan and 3.85 % of total unemployment rates (total unemployment is 8.3 %) were women for the 2006. In this context nearly 87500 women were unemployed in Kyrgyzstan in 2006, which means that approximately 46 percent of all unemployed people were women, and the unemployment rate among women who are active in the economy made up 9% (see Figure 8).



Source: National Statistics Committee of Kyrgyzstan (2008)

In 2004 the United Nations Statistics division indicated that women own account workers comprise 28.3 % (15 and above age) among women employment which might tell us about self-employed women in Kyrgyzstan. However this indication was lower in previous years (Figure 9)



Source: The UN Gender Info (2007).

In Kyrgyzstan as one of the transition countries, women entrepreneurs are usually aged 40 years or more, married with one or two grown up children and longstanding experience of work in the public sector. There is a high participation of women entrepreneurs with tertiary, college or secondary education. In Kyrgyzstan women with tertiary education dominate among own-account workers (UNECE, 2002).

Generally, women most often set enterprise in trade. The earlier the phase of transformation in a country, the more widespread among women is this form of economic activity. By the end of 2006, the National Statistics Committee estimated that 84.7 % of labor force work in private sector while 15.3 % of them work in public sector. Thus, 40.1% of men and 28.3 % of women are consisted of own-own account workers for the 2004 (UN, 2007), and most of this work is based on trade. Moreover, female “shuttle” traders played an important role during early stages of transition. They imported and sold consumer goods or raw materials missing in the domestic market. This type of business characteristics of female entrepreneurs illustrate the important role of bazaar and open markets for one particular type of female entrepreneurship.

## **2.2. RESEARCH DESIGN AND DATA COLLECTION**

The study used a questionnaire survey research method for this study. According to Zechmeister and Shaughnessy (1997), survey research represents a general approach to be used when the correlational research design is implemented. Survey research is the method of gathering data from respondents thought to be representative of some population, using an instrument composed of closed structure or open-ended items (questions). It is one of the most dominant forms of data collection in the social sciences, providing for efficient collection of data over broad populations, amenable to self-administration, administration in person, by telephone, via mail and over the Internet. Many advantages have been identified in the use of the survey method. According to Babbie (2001), these advantages include:



1. One can collect a large amount of data in a period of time.
2. Surveys are easier and less expensive than other forms of data collection.
3. Questionnaires can be used to research almost any aspect of human perceptions regarding the variables under study.
4. Survey research can be easily used in field settings.

Data for the study was collected in Kyrgyzstan. According to some summaries of the Global Entrepreneurship Monitor (2006) Reports on Women and Entrepreneurship the level of women self-employment might be more active in such low income country. Thus, Kyrgyzstan is an ideal setting for this study, because it is less advanced in the transition process than some of the former Soviet republics. The anonymous, self-report questionnaire was used for data collection. Special attention was focused on the selection of the measurement and the development of the instruments in order to determine if the measurement has the same meaning in target population and refers to the same behavior or attitudes (Chelariu *et al.*, 2008). To assure the linguistic equivalence, the questionnaire was translated into Russian. This is because people in Kyrgyzstan generally speak in both Kyrgyz and Russian languages and for this reason I together with my friend translated it appropriately into Russian as we both are capable of speaking in Russian and English languages and have learned these languages for a long time. After translation we have tested it with the non-English speaker person to observe if the meaning in Russian was understandable. As a result there was no significant difference when it compared. In Appendix 2 the Russian version of the questionnaire is attached. (Appendix 2)

### **2.2.1. Sampling**

In order to construct the purposeful sample it followed the logic of criterion sampling, with the objective of reviewing and studying all case that meet some predetermined criterion of importance. In this case, the criterion was that the women was

an entrepreneur or self-employed and that she was owner or co-owner of her business and that she made her living from it.

A total of 150 questionnaires were distributed in various commercial areas of the city, with an accompanying cover letter which is prepared by my supervisor stating that the study was a graduation thesis of the student from the University of Dokuz Eylul in Turkey and requested prompt completion of the survey. Entrepreneurs participating in this study numbered only 126, and 24 of those found to have incomplete data or to have been completed by someone other than women entrepreneur and some of them denied to fill the questionnaires. All participants are from Bishkek the capital city of Kyrgyzstan. The sample for the study was recruited randomly by asking the respondents to fill out the questionnaire. On average, it took the respondents about 10 minutes to fill out the questionnaire. Other data collection methods such as mail and telephone were also considered, but collecting the data by means of personal interviews turned out to be the best option.

Basically two groups of respondents were included in this study, women who had previously been employed and who had not. Women who had previously not been employed are categorized as previously been students or housewives. These people were able to answer only total 14 of basic questions starting from 17<sup>th</sup> questions. Because, other 16 basic questions were appropriate only for those who were employed previously. It was designed to understand the effect of their past experiences on their current businesses and separating them into categories was more logical. These people can give explanation from their experiences in previous job places. Thus, only the previously had been employed women could answer the full set of questions.

### **2.2.2. Variables**

In this research study questionnaire used from several research studies and developed by Shaver and Schojoedt (2007), Mattis (2004), Chelariu *et al.* (2008), Lee

(1997), Segal *et al.* (2005), Shaw and Carter (2007), etc (Appendix 1). There are two separate questions first is demographic questions used to get the information about characteristics of women entrepreneurs. Demographic questions include 6 items: age, marital status, occupation, education, experience and current business activity. Second part of questions which is the main instruments of measurement includes 9 variables consisting of 30 measurable items. First question is specially prepared for the participants who have been previously employed and insisted to answer step by step the following full 30 questions. The study used 8 independent variables and 1 dependent variable (entrepreneurship). These variables are discussed below.

Independent Variables are those which can give us factors influencing on the outcome of this study (Cresswell, 2003). For the purposes of the study, factors influencing on women entrepreneurs were developed by several researchers and were used to gather study data. These factors measures pull and push factors to identify women entrepreneurs' motivation to become an entrepreneur. It consists of 29 statements that form 8 scales: job dissatisfaction, tolerance for risk, the higher order needs, glass-ceiling, desire for profit-wealth, family business, opportunity perception, and unemployment. And as dependent variable the entrepreneurship intention was used which is measured by 1 item. Questions are measured on 5-point Likert scale ranging from 1 to 5.

### **2.2.3. Reliability**

Reliability measures using Cronbach's alpha reliability coefficients were calculated for the variables. Cronbach's alpha reliability test measures the internal consistency of a research instrument. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale. George and Mallery (2003) provided the following rules of thumb:

- 1 > 0.90–Excellent,
- 1 > 0.80–Good,
- 1 > 0.70–Acceptable,
- 1 > 0.60–Questionable,
- 1 > 0.50–Poor, and
- 1 < 0.50–Unacceptable (p. 231)

While increasing the value of alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. It should also be noted that an alpha of 0.80 is probably a reasonable goal.

The reliability for the overall variables was above the 0.7 level, so all variables were acceptable for the measurement. For the job dissatisfaction the Cronbach's alpha calculated for 7 items as 0.72. 4 items measured the glass-ceiling and their reliability alpha is 0.88. For the unemployment which is measured by 5 items is 0.75.

*Desire for independence ( $\alpha=0.46$ )*

- (19) I go my own way in life, regardless of the opinions of others. (Ia)
- (20) I disregard rules and regulations that hamper my personal freedom. (Ib)
- (21) In running my life, I try to be my own boss. (Ic)
- (25) I prefer to work alone on a task. (Id)

As for the desire for independence 4 items (Ia, Ib, Ic, and Id) together showed slightly low reliability that Cronbach's coefficient alpha value of 0.46. In this case, I have removed the Ia and Ib items in order to make our measurement more reliable and when I applied this procedure the Cronbach's estimated the value 0.76 for Ic and Id.

Need for achievement estimated the 0.73 reliability. And finally opportunity perception reliability of Cronbach's alpha estimated 0.79. For the total 30 items the

Cronbach's alpha estimated 0.84 of reliability measurements. All these measurable items can be seen from the Table 2.

The other independent variables are measured by single questions. The 29<sup>th</sup> question measures entrepreneurs' tolerance for risk by asking "To what extent are you willing to take a calculated risk to get ahead?" this question was developed and used by Segal G. *et al.* (2005). The variable desire for profit wealth is measured by 17<sup>th</sup> question pointing "I want to earn more money and become a rich". Family reason is measured by the statement of "Meeting the family needs is my responsibility" which is asked on 18<sup>th</sup> question and finally self-fulfillment is measured by the statement of "It is important for me to achieve self-realization" which is 25<sup>th</sup> question. And finally the family business variable is measured by "How much help or contribution they have provided?" by asking additional question whether any of their cloth relatives had businesses that was subject for their current business establishment. As it is mentioned above all these variables are measured on 5-likert scale.

The dependent variable for this research study is entrepreneurship motivation which gives us understanding about the outcome. It is also measured by the single question to define entrepreneur's entrepreneurship motivation and to measure their idea about the advantages of entrepreneurship. They were asked by the statement of "I think owing your business has many advantages" and this scale was also developed and used by Segal G. *et al.* (2005). They used this measurement in their study to analyze the motivation of entrepreneurs of becoming entrepreneurship. From the Appendix 1 the full questionnaire form of English version can be seen for its review (Appendix 1.).

**Table 2 Scales**

<p><b>Job dissatisfaction (<math>\alpha=0.72</math>)</b></p> <ul style="list-style-type: none"><li>(1) How satisfied were you with this job?</li><li>(2) The physical working condition in previous work place was too bad.</li><li>(3) I was not paid what I deserved and our salaries were always postponed.</li><li>(4) The quality of supervision was too low.</li><li>(5) There was inadequate regulation of company/ organization policy.</li><li>(6) The employment guaranteed us with no job security or retirement fund.</li><li>(7) There was a gap between superior and subordinate relations and with others too.</li></ul>
<p><b>Glass-ceiling (<math>\alpha=0.88</math>)</b></p> <ul style="list-style-type: none"><li>(8) My contributions were not recognized.</li><li>(9) I was not taken seriously</li><li>(10) I felt isolated as one of few women or minorities</li><li>(11) I was excluded from informal networks/ communications.</li></ul>
<p><b>Unemployment (<math>\alpha=0.75</math>)</b></p> <ul style="list-style-type: none"><li>(12) I was affected by downsizing process before starting up my business.</li><li>(13) I was affected by redundancy process before starting up my business.</li><li>(14) There were no any other job opportunities when I had lost my job.</li><li>(15) My situation in the past was related with the contracting out by past employer.</li><li>(16) I was fired and I could not find the desired job.</li></ul>
<p><b>Desire for independence (<math>\alpha=0.76</math>)</b></p> <ul style="list-style-type: none"><li>(22) I go my own way in life, regardless of the opinions of others. (Removed)</li><li>(23) I disregard rules and regulations that hamper my personal freedom. (Removed)</li><li>(24) In running my life, I try to be my own boss.</li><li>(25) I prefer to work alone on a task.</li></ul>
<p><b>Need for Achievement (<math>\alpha=0.73</math>)</b></p> <ul style="list-style-type: none"><li>(26) I usually want to accomplish my goals through my own effort.</li><li>(27) I like to be successful in competitive situation.</li></ul>
<p><b>Opportunity perception (<math>\alpha=0.79</math>)</b></p> <ul style="list-style-type: none"><li>(26) I have an eye for opportunities; I like to seize opportunities as they arise.</li><li>(27) If I see there is a potential gain from something I capture it at once for the future benefits.</li></ul>

#### **2.2.4. Analysis of Data**

Data was entered into SPSS 13.0 for Windows. As it was mentioned before Cronbach's alpha was applied to test the reliability of all variables. As a result the alpha indicated the value 0.83 for all variables that can be accepted as "good" for the measurement. For the analysis of data the Pearson's Coefficient Correlation and Regression analysis were applied in order to test the hypothesis. The Pearson coefficient correlation tells us the magnitude and direction of the association between two variables that are on an interval or ratio scale. It ranges in value from -1 to +1. On the other hand the Regression analysis measures a linear relationship between the independent variables and the dependent variable and its equations can generate more accurate values (George & Mallery, 2003). All statistical results of data analysis are interpreted in the next section of this study in Discussion of Findings.

## **PART III**

### **DISCUSSION OF FINDINGS**

#### **3.1. DEMOGRAPHIC CHARACTERISTICS OF WOMEN ENTREPRENEURS**

The demographic characteristics of women entrepreneurs are analyzed in to three different areas: personal characteristics, educational level, and their experience before starting up their own business activities. Table 3 gives the sample profile of women entrepreneurs. The personal characteristic of women is looked at age and marital status of respondents.

According to the sample size the measurement of the women entrepreneurs' age started from 20 to 65 and more, the result showed us the median age of between 35 and 39. As can it be seen from Table 3, more than 50 percent of respondents are ranged between 30 and 49 age. Usually women entrepreneurs tend to be in the middle age rather than 40 or more as it was indicated in the UN data (UNECE, 2002). Their mean age is 38.5 and more than half of them are less than 39 years old. A majority of entrepreneurs are married (53.6 percent), 23 percent are single, 12.7 percent of them are divorced, and other 7.9% are widowed.

The level of education system in Kyrgyzstan is different in comparing with other countries. For this reason I tried to arrange them into appropriate classifications. Usually, there are 11 years of school education level system which is matched with the primary and secondary level system of education in other countries. This education level is also matches with the education period of before attaining the universities or polytechnics.



<b>Table 3. Sample profile</b>		
	<i>Frequency</i>	<i>Percentage (%)</i>
<i>Age:</i>		
20-24	10	7.9
25-29	12	9.5
30-34	20	15.9
35-39	24	19
40-44	19	15.1
45-49	20	15.9
50-54	11	8.7
55-59	5	4.0
60-64	2	1.6
65-...	3	2.4
Median	35-39	
<i>Marital Status:</i>		
Single	29	23.0
Married	71	56.3
Divorced	16	12.7
Widowed	10	7.9
Median	Married	
<i>Level of education:</i>		
School	1	0.8
Polytechnics and Bachelor Degree	16	12.7
Higher and Master Degree	101	80.2
PhD or more	8	6.3
Median	Higher & Master Degree	
<i>Ethnic group:</i>		
Kyrgyz	94	74.6
Russian	28	22.2
Uzbek	2	1.6
Others	2	1.6

**Table 4. Education level of Entrepreneurs**

	<i>Frequency</i>	<i>Percentage (%)</i>
<i>Level of education:</i>		
School	1	0.8
Polytechnics and Bachelor Degree	16	12.7
Higher and Master Degree	101	80.2
PhD or more	8	6.3
Median	Higher & Master Degree	

Table 4 shows that majority of women entrepreneurs are highly educated and some of them have master degree educations (80.2 %). Certain amount of the sample received polytechnics and bachelor degree and some of them are PhD and more. From the general level of education view we can notice that almost all women entrepreneurs are received at least tertiary education, i.e. diploma level and above. In contrast, only 1 respondent received school levels of education. Similarly in 2002, the United Nation's statistical indicated that in Kyrgyzstan there was a high participation of women entrepreneurs with tertiary, college or secondary education and women with tertiary education dominate among own-account workers (UNECE, 2002). Form this point it can be undoubtedly said that since 2002 there was no changes in education level of women entrepreneurs.

As it was mention in Data Collection part, there are basically two groups of respondents were included in this study, women who had previously been employed and who had not. Women who had previously not been employed are categorized as previously been students or housewives. These people were able to answer only total 14 of basic questions starting from 17<sup>th</sup> questions. Because, other 16 basic questions were appropriate only for those who were employed previously. It was designed to understand the effect of their past experiences on their current businesses and separating them into categories was more logical. These people can give explanation from their experiences

in previous job places. Thus, Table 5 represents women entrepreneurs' experience before starting their own businesses in terms of employed, housewife and students characteristics.

**Table 5. Experiences in term of employed, housewife and students.**

	<i>Frequency</i>	<i>Percentage (%)</i>
<i>Experience before starting own</i>		
<i>Business:</i>		
Employed	96	76.2
Housewife	19	15.1
Student	11	8.7
Median	Employed	

According to this table, 96 of respondents are employed previously while 19 and 11 of them were housewives and students before starting their businesses. These results might give us the clue about that most of the previously employed women entrepreneurs were affected by their previous work places in starting up their own businesses activities. The other 30 respondents who were not previously employed might give us explanations more about their trait characteristics that motivated them in starting up their own businesses.

**Table 6. Previously employed women entrepreneurs**

<i>Employed Respondents (n=96)</i>		
<i>Organizational Type:</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Previous jobs	Engineers, Teachers, Doctors, Accountants, Economists, Managers, etc.	
Average Years of work	9 years	
Administrative	37	29.4
Educational	15	11.9
Agriculture	6	4.8
Service	21	16.7
Health	10	7.9
Other	7	5.6

Following table 6 represents information about 96 previously employed women entrepreneurs. It shows us that majority of them worked as an engineer, teachers, accountant, economists, managers, etc. in different occupational places and their average work period counted about 9 years. They were employed in different organizational type and generally they worked in administrative or governmental areas. Women entrepreneurs who previously worked in educational and health sectors also counted in significant numbers. The other respondents took responsibilities in agriculture, service, and other sectors too.

The overall result from this data makes us clearly understand that generally women entrepreneurs had longstanding experience of work in the public sector. Now majority of women entrepreneurs' current business activities are based on retail trade and services. This trend has been more widespread since the earlier phase of transformation in a country and transformation in labor force from public to private sector has rapidly increased among women entrepreneurs due to economic changes.

### 3.2. FACTORS INFLUENCING WOMEN ENTREPRENEURS: PUSH OR PULL

In this study the measurement regarding factors influencing on women entrepreneurs is based on the following factors which are unemployment, family reason, glass-ceiling, job dissatisfaction, desire for profit wealth, desire for independence, self-fulfillment, opportunity perception, need for achievement, family business, and risk taking propensity. In order to understand the relationship between these variables and the entrepreneurship motivation of women entrepreneurs, the Pearson's coefficient correlation of data analysis was applied first. As we have a little idea about the direct of the correlations, two-tailed significance was used, and the data give us the following results which are represented in Table 7 and 8.

**Table 7. Descriptive Statistics**

	Mean	St. Deviation	N
Job dissatisfaction	3.33	0.842	96
Glass-ceiling	3.22	1.097	96
Unemployment	2.81	1.039	96
Desire for profit-Wealth	2.84	1.293	126
Family reason	2.56	1.176	126
Independence	4.23	0.520	126
nArch	4.28	0.628	126
Self-fulfillment	2.60	1.259	126
Opportunity	4.34	0.592	126
Family business	2.56	1.114	126
Tolerance for risk	3.30	1.140	126
Entrepreneurship	2.99	1.383	126

As we see from Table 7, among 126, only 96 participants of the questionnaires could respond for full variables' measurement items including job dissatisfaction, glass-ceiling, and unemployment variables. These respondents are women entrepreneurs who had previously been employed by the employees and undoubtedly they can give us a necessary data about job dissatisfaction, glass-ceiling, and unemployment variables. Other 30 samples are those who had been student or housewives before starting their own businesses and these participants could answer only for desire for profit-wealth, family reasons, independence, need for achievement, self-fulfillment, opportunity, family business and tolerance for risk variables' measurement items.

Table 8 suggests the results of important consideration about this study. This is what we are trying to find out the factors which have the greatest impact on starting up women's business ownerships. Looking at Pearson's coefficient correlation analysis results (Table 8) it can be undoubtedly discussed that many variables have relationships with entrepreneurship motivation.

**Table 8. Pearson's Correlation**

	Job dissatisfaction	Glass-ceiling	Unemployment	Desire for profit-Wealth	Family reason	Independence	nArch	Self-fulfillment	Opportunity	Family business	Tolerance for risk	Entrepreneurship
Job dissatisfaction	1											
Glass-ceiling	.444**	1										
Unemployment	.241*	.572**	1									
Desire for profit-Wealth	.245*	.484**	.816**	1								
Family reason	.162	.412**	.748**	.717**	1							
Independence	.272**	.313**	.105	-.018	.091	1						
nArch	.260*	.211*	.017	-.113	.014	.602**	1					
Self-fulfillment	.269**	.388**	.380**	.684**	.509**	.059	-.031	1				
Opportunity	.164	.086	-.189	-.159	-.244**	.468**	.378**	.022	1			
Family business	.232*	.322*	.471**	.563**	.379**	-.042	-.043	.560**	-.070	1		
Tolerance for risk	.111	.156	.006	-.125	-.074	.080	.106	-.022	.054	.067	1	
Entrepreneurship	.316**	.505**	.500**	.729**	.544**	.097	.021	.821**	-.026	.725**	.149	1

\*\*Correlation is significant at the  $p < 0.01$  level (2-tailed).

\*. Correlation is significant at the  $p < 0.05$  level (2-tailed).

The two-tailed significance was used in order to compute a table of correlation in which there is a little idea as to the direction of correlations. As a result job dissatisfaction ( $r = 0.316$ ), glass-ceiling ( $r = 0.505$ ), unemployment ( $r = 0.500$ ), desire for profit wealth ( $r = 0.729$ ), family reason ( $r = 0.544$ ), self-fulfillment ( $r = 0.821$ ), and family business ( $r = 0.725$ ) all together indicate that significant correlation exist between these variables and entrepreneurship motivation ( $p < 0.01$ ). Other variables such as independence ( $r = 0.097$ ), nArch ( $r = 0.021$ ), opportunity ( $r = -0.026$ ), and tolerance for risk ( $r = 0.149$ ) showed weak correlation indicating that no relationship exist between

them and entrepreneurship motivation. However the opportunity showed the negative correlation between entrepreneurship motivations which indicates the higher the opportunity the lower in starting up business ownership. But it does not predict the significance of correlation as its value is below the significant score ( $p > 0.05$ ).

Secondly the regression analysis showed more accurate predictions about the condition of dependant and independent variables yielding a better “fit” of the data. Thus, the analysis of the hypothesis and its statistical significant tests for each variable separately were discussed in the following sections.

### **3.2.1. Push Factors**

#### **3.2.1.1. Unemployment**

Within the economic approach, Knight’s (1921) insisted that an individual would switch from employee to employer depending on the relative expected return in these two types of activities. Starting from the premise that new firm creation implies the movement from paid employment (or unemployment) to self-employment, it has been argued that the formation or transfer decision will made when perceived net benefit (monetary and non-monetary) of self-employment exceed those of remaining in paid employment. A fall in paid employment with self-employment will push a latent entrepreneur into self-employment.

Relatively our first hypothesis was “Unemployment is positively related to women’s entrepreneurship motivation”. The regression analysis result clarifies the significance of this hypothetical assumption (Table 9).



**Table 9. Regression Summary of Unemployment**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.500	.250	.242	.952

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.966	.282		3.430	.001
	Unemployment	.527	.094	.500	5.604	.000

*Predictors:* Unemployment

*Dependent Variable:* Entrepreneurship

Consequently H1 was supported by the calculations of capital R (R= 0.50) showing the strong positive relationship exist between unemployment and entrepreneurship motivation predicting its statistical significance (sig. = 0.01). Also 25 % of the variance in entrepreneurship motivation is explained by unemployment (R<sup>2</sup>=.250). The constant and coefficient of B values indicates that unemployment has a positive influence on entrepreneurship motivation. In general it can be understood that the higher the unemployment occurs the greater the women's involvements into entrepreneurial activities exist.

This finding confirms most of researchers' notions that unemployment factors such as insufficient relative expected incomes, job instability and insecurity, and related financial reasons lead individuals to self-employment activities in order to insure their economic necessities (Knight, 1921; Roy *et al.*, 1994; Barkham, 1992; Kautonen, 2008). This condition is also common among self-employed women in Kyrgyzstan. Moreover their unemployed reasons might be rooted from the consequences of economic transition of a country during 1990s. This substantial economic transitions may lead to worker displacement and therefore to entrepreneurship as a means of avoiding unemployment. Thus, self-employment represents the 'unemployment push' as an important implication for evaluating the success of economic transition in Kyrgyzstan. This view can be plausible when we consider changes in post-socialist countries in the 1990s. Rapid liberalization created new opportunities for entrepreneurship, but post-socialist countries have also experienced severe recessions associated with the collapse of the state-owned

industrial sector, the rise of unemployment and the fall of the employment rate (Saar & Unt, 2008).

Consequently, in Kyrgyzstan women might began their businesses to escape unemployment resulting from the post-communist transformation. Especially in the beginning years of transformation (1990), unemployment coupled with labor market discrimination, women were generally the first to be fired and the last to find new employment (Welter et al., 2003). This inevitable condition enabled many women to start their own businesses in Kyrgyzstan. Similarly results also confirmed the Hughes, (2003) and Sarri & Trihopoulou (2004) notions that economic changes such as downsizing, redundancy in a country were the main reason for women to be unemployed and the primary reason for becoming self-employed as they were suffered from no longer need for a job and therefore they were out of work. For this reason push of economic necessity such as job loss and lack of job opportunity which led to unemployment had been encouraging women to become self-employed. Obviously, the national statistics data of Kyrgyzstan gives more exact understanding of this issue that downsizing and restructuring changes had potential impact on unemployment rate (Table 10).

**Table 10. Women’s Unemployment Characteristics in Kyrgyzstan (2006)**

Not employed before:	40.7 %
Employed before:	59.3 %
Total unemployment	100%

**Unemployment Reasons (among 59.3 %):**

- Downsizing & Restructuring: 34.1 %
- Abandon by own desire: 16.1 %
- Other: 9.1 %

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*Source: National Statistics Committee of Kyrgyzstan (2006)*

34.1 % of unemployment reason was resulted by downsizing and restructuring. This amount comprises more than half of total reason among women who were

employed before and this explanation gives the prediction about the consequences of unemployed women for self-employment in Kyrgyzstan.

### 3.2.1.2. Job dissatisfaction

The second hypothesis was based on statement: “Women entrepreneurs are motivated to start up their business by the result of job dissatisfaction in previous jobs”. As it was mentioned before analysis of this variable is subject to those women entrepreneurs who had been employed before.

**Table 11. Regression Summary of Job dissatisfaction**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.316	.100	.090	1.044

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.078	.437		2.467	.015
	Job dissatisfaction	.411	.127	.316	3.231	.002

*Predictors:* Job dissatisfaction

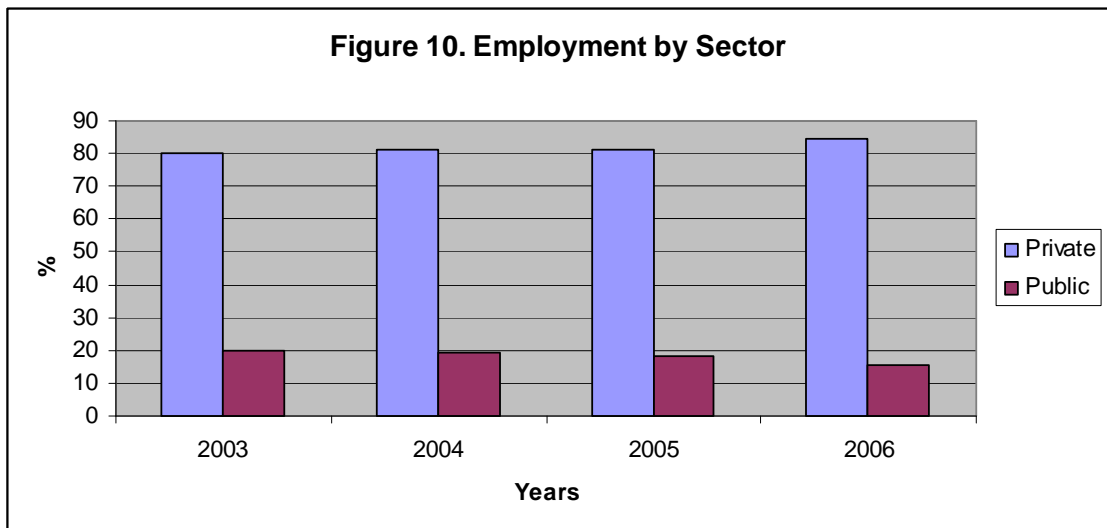
*Dependent Variable:* Entrepreneurship

The measurement about women’s dissatisfaction in their previous jobs showed the existence of relationship between job dissatisfaction and entrepreneurship motivation ( $R = 0.316$ ) (Table 11). However, it does not strongly support our current hypothesis as its value is closer to 0 rather than 1. But in fact the national statistical data of a country (Table 10) gives the true support of our findings. It indicates that 16.1 % unemployed reasons, among 59 % of women entrepreneurs who had been previously employed, are abandoned by their own desire which confirms the condition of job dissatisfaction of women in their previous work places.

Employees became dissatisfied with their employment relationship, which motivates them to search for another job. Thus, job dissatisfaction might push women in

Kyrgyzstan out of their current job, would have the effect on starting up their own business leading to self-employment.

Job satisfaction is related to such intrinsic factors as advancement, recognition, responsibility, and achievement, while job dissatisfaction is related to extrinsic factors, such as supervision, pay, company policies, and working conditions (Robbins, 2003). Herzberg named these job dissatisfaction factors as a “Hygiene factors” and when these factors are adequate people will not be dissatisfied. As for job dissatisfaction of women in Kyrgyzstan, it seems like they were more dissatisfied with the factors of pay (or employment relationship). Because, economic changes in country left many employees, who worked in public sectors, as the less paid ones without any improvement in their incomes. Consequently the financial reasons (insufficient income) gradually has enabled many employees switch from public to more advantageous private jobs such as starting up own businesses. In addition, the national statistical data of Kyrgyzstan (Figure 10) shows the latest changes in employment rate by sector between 2003 and 2006 indicating that employment rate in public sector had been decreasing while in private sector it was increasing.



Source: National Statistics Committee of Kyrgyzstan, 2006.

Brockhaus's (1980) examined if dissatisfaction with a previous job was what pushed entrepreneurs to create new ventures and found that job dissatisfaction as a major reason that pushed individuals to become entrepreneurs. Thus, our finding confirms Brockhaus's (1980) study and other researchers findings too (Cromie & Hayes, 1991; Cromie, 1987; Ahmed, 2005).

### 3.2.1.3. Glass-ceiling

The term glass ceiling refers to situations where the advancement of a qualified person within the hierarchy of an organization is stopped at a lower level because of some form of discrimination, most commonly sexism or racism (Sweeney & McFarlin, 2002). In this study the term refers to gender discrimination in organizations where they are employed putting impediments to women's achievements of success and limiting their opportunities in organizations.

In this connection, the findings about glass-ceiling strongly supported the H3 which was based on the statement of "Women start their own businesses because of the glass-ceiling issues in their previous work places" (Sig = .000). The regression analysis result for correlation measurement between glass-ceiling and entrepreneurship of R = 50,5 % showed positive relationship predicting the higher the level of glass-ceiling, the greater the women's motivation to start up their own businesses (Table 12). Also, 25.5 % variance in entrepreneurship motivation is explained by glass-ceiling effects.

**Table 12. Regression Summary of Glass-ceiling**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.505	.255	.247	.950

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.828	.302		2.743	.007
	Glass-ceiling	.503	.089	.505	5.671	.000

*Predictors:* Glass-ceiling

*Dependent Variable:* Entrepreneurship

As it was mentioned in our previous analysis women are mostly unemployed than men in countries with the economic changes. This is confirmed in the Economic survey of Europe in 1999 that women unemployment rates were higher than men's in many of transition countries (UNECE, 2002). Especially in the early years of 1990, unemployment coupled with labor market discrimination—women were generally the first to be fired and the last to find new employment—led many women to start their own firms in transitional economies (Welter *et al.*, 2003) in Baughn *et al.*, 2006). Our finding in fact confirms this assumption because of the continued effects of economic changes in Kyrgyzstan since transformation period and mostly women had been suffered from this condition. Because, women became self-employed by the result of downsizing of institutions in public sectors that had later been transformed to private sectors with the help of privatizations. On the other hand, Battner and Moore's (1997) argument also relevant to our finding that women become entrepreneurs due to blocks in career advancement as a result of gender discrimination, resulting in the term glass-ceiling effect that women cannot access the highest levels in an organization or corporation due to their gender. This condition must be common in many countries that women are naturally accepted as physically weak gender and this disadvantage might make them less authoritative for the highest levels in an organization.

#### **3.2.1.4. Family reason**

The economic necessity generated the family reason that forced women to take care for their family by themselves during harsh economic condition. One of such hard conditions is transition in Kyrgyzstan that increased responsibilities of the woman to take care for the family having additional role of becoming a bread winner. The findings about family reason in Kyrgyzstan show the following results (Table 13).

**Table 13. Regression Summary of Family reason**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.544	.296	.290	1.165

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.354	.250		5.422	.000
	Family reason	.639	.089	.544	7.215	.000

*Predictors:* Family reason

*Dependent Variable:* Entrepreneurship

The findings show that H4 was strongly supported (sig. = .000). The relationship between family reason and entrepreneurship is positive with the value of 54.4 %. It also indicates that approximately 30 % (R<sup>2</sup>= .296) of variance in entrepreneurship motivation is explained by family reason effect. All these indications predict that family reason, which is meant in term of financial reason of family income, has effected on women's starting entrepreneurial activities in Kyrgyzstan.

### 3.2.2. Pull Factors

#### 3.2.2.1. Family business

The family business success can be resulted form the existence of role models within the close environment and the reliance on a partner's expertise. In this study the family background concept imply close relatives who helped women to build up their businesses and these members include parents, brothers, sisters, spouse, or other relatives with which the owner had frequent contact.

In order to analysis our samples of women business owners in throughout family business background, we used the measurement statement of Bates (1988) asking, "Prior to your going into business, had any of your close relatives ever owned a business". As the result more than half of respondents answered affirmatively. Generally husbands and brother or sisters of women entrepreneurs encouraged them to establish their own

businesses and rendered a financial support in development of their businesses. Table 14 shows the next results of findings about H4 which explains the family business influence on entrepreneurship motivation.

**Table 14. Regression Summary of Family business**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.725	.526	.522	.956

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.684	.214		3.188	.002
	Family business	.900	.077	.725	11.727	.000

*Predictors:* Family business

*Dependent Variable:* Entrepreneurship

In this context, a strong relationship revealed between family business and entrepreneurship ( $R = 0.725$ ). 52.6 % of variance in the entrepreneurship motivation is explained by family businesses variable. Thus, the statistical significance ( $\text{Sig.} = 000$ ) of this finding strongly supports the H5 of this study that was based on, “Family business has an effect on women entrepreneurs in starting up their own businesses”. This is very high proportion and family influence appears to have played an even stronger role in the case of women entrepreneurs in Kyrgyzstan.

### 3.2.2.2. Opportunity perception

The opportunity perception characteristic of entrepreneurs is well described in the light of Austrian entrepreneurship theory of Israel Kirzner (1979). Kirzner emphasized that the entrepreneur is the person who is alert to the opportunity. He said the entrepreneur recognizes and acts upon market opportunities. The entrepreneur is essentially an arbitrator. The opportunity perception or the seeking characteristics of person can be said as another pull factor that attracts women to be self-employed. Higher wages and the security of professional earnings increase the attractiveness of wage employment as well as the opportunity cost of self-employment. Unfortunately, findings



from the statistical indications do not support the H6 (Table15). Because, the finding give statistical insignificance results ( $p > .005$ ) predicting that relationship does not exist between opportunity perception and entrepreneurship motivation.

**Table 15. Regression Summary of Opportunity perception**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.026	.001	-.007	1.388

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.255	.918		3.544	.001
	Opportunity perception	-.061	.210	-.026	-.289	.773

*Predictors:* Opportunity perception

*Dependent Variable:* Entrepreneurship

Thus, this result show that women entrepreneurs in Kyrgyzstan do not tend to be opportunity seekers and motivation of starting their businesses are not influenced by their personal characteristics of opportunity perception. Another reason for these findings can be derived from the Kyrgyzstan's poor economic condition and there are lacks of opportunities in such poor economies that can not assist individuals to gain benefits.

### 3.2.2.3. Tolerance for risk

Risk can be generated because of the uncertain situation that entrepreneurs face in their business lives. In this situation entrepreneurs decide how much risk to take in order to gain returns. In the psychological approach it is insisted that characteristics of risk taking propensity found among entrepreneurs, theorizing that successful entrepreneurs are less risk averse than non-entrepreneurs. But in the current study the analysis refers to the moderate risk takers who perceive the level of expected return as higher as well its risk. Thus, balancing risk and return they make rational decisions in order to avoid uncertainties which can lead to losses. However, the regression analysis calculated statistical insignificance for those who are high risk takers in entrepreneurship

motivation ( $p > .005$ ). Thus, there is no relationship between risk for tolerance and intention to establish self owned businesses (Table 16). On the other hand, when the sample of respondents were asked, “To what extent are you willing to take a calculated risk to get ahead”, the finding revealed that women entrepreneurs in Kyrgyzstan are moderate risk takers with the mean average of  $M=3.30$  (Table 7).

**Table 16. Regression Summary of Tolerance for risk**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.149	.022	.014	1.373

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.397	.376		6.375	.000
	Tolerance for risk	.180	.108	.149	1.674	.097

*Predictors:* Tolerance for risk

*Dependent Variable:* Entrepreneurship

This finding confirms Tesreau and Gielazauskas, Kepler *et al.* (2007), and Wood (2005) implications that entrepreneurs take calculated risks. Because there is certain amount of risk with any business venture and those ventures with greater returns frequently require more risks and through risk-return calculation taking a moderate risks might be an optimum choice. As a result the H7 is acceptable for women entrepreneurs in Kyrgyzstan as they are less risk takers than men entrepreneurs and generally take medium risk (Collins, 2007).

#### 3.2.2.4. Desire for profit-wealth

Profit-wealth in the context of self-employment refers to the increase in the value of the firm as well as in salary and benefits. The amount of wealth that one can accumulate through working for an organization is relatively fixed, whereas in self-employment the opportunities to acquire wealth are infinite (Geldereren *et al.*, 2008). This challenge for the individuals can pull them to earn more money and fulfill their excess needs. When it was asked “I want to earn more money and become a rich “, majority of

women selected the highest score of agreement. Table 17 shows findings about women entrepreneurs in Kyrgyzstan regarding their desire for profit wealth indicating its strong relationship with the motivation for self-employment and it is statistically significant (Table 18).

**Table 17. Regression Summary of Desire for profit-wealth**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.729	.531	.528	.950

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.776	.205		3.785	.000
	Desire for profit-wealth	.780	.066	.729	11.857	.000

*Predictors:* Desire for profit-wealth

*Dependent Variable:* Entrepreneurship

It also predicts the greatest impact on entrepreneurship motivation is influenced by entrepreneurs' desire for profit wealth characteristics as it explains 52.8% of variance in the entrepreneurship motivation. Thus, the expectation of more wealth and income attainment can be realized through preferring the engagement in self-employment and the next H8, "Women entrepreneurs are motivated by desire for profit-wealth in starting up their businesses" was strongly supported and the expression that, "The entrepreneur sees only profits" was confirmed with this findings.

### 3.2.2.5. Higher order needs

The model for the last framework of the current study was based on higher-order needs of women entrepreneurs that are satisfied internally when they possess such pull factor characteristics as desire for independence, need for achievement and self-fulfillment. This motivation model was developed under the consideration of Maslow's hierarchy of needs theory applying only its higher-order needs. However our findings showed the non-homogenous result between these three higher order needs. If we look at the correlation values between these three variables, it shows that relation between

independence and need for achievement (n-Arch) is consistent ( $r = 0.602$ ) whereas relations between desire for independence and self-fulfillment ( $r = 0.059$ ), and relations between need for achievement and self-fulfillment (n-Arch,  $r = -0.31$ ) are not (Table 8). This non-homogenous result of higher order needs might give us inadequate explanation if we interpret them without separating into three different areas. On the other hand we can achieve supplementary view about women's motivation of starting their own businesses with the help of these separate interpretations

**Table 18. Regression Summary of Independence**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.097	.009	.001	1.382

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.901	1.012		1.879	.063
	Independence	.258	.232	.097	1.086	.279

*Predictors:* Independence

*Dependent Variable:* Entrepreneurship

Statistical calculation (Table 18) for the desire for independence in starting up entrepreneurial activities does show the significance of this factor ( $p > .005$ ). Also a small amount of variance in entrepreneurial motivation is explained by independence ( $R^2 = 0.9\%$ ). Thus, this factor will have no essence among the pull factors that influence women entrepreneurs in Kyrgyzstan. Another calculation is based on need for achievement of pull factor (Table 19).

**Table 19. Regression Summary of Need for achievement**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.021	.000	-.008	1.388

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.794	.855		3.269	.001
	Need for achievement	.046	.198	.021	.234	.816

*Predictors:* Need for achievement

*Dependent Variable:* Entrepreneurship

However, the similar results also have been calculated for the need for achievement. These results tell that there is exactly no relationship between need for achievement and motivation of starting up businesses among women entrepreneurs in Kyrgyzstan ( $p > .005$ ). In this context, independence and need for achievement items together could not predict their effect on entrepreneurship motivation of women in Kyrgyzstan as their correlation value showed weak values ( $r=0.097$  and  $r=0.021$ ) and McClelland's work on the need for achievement (1961) failed to be appropriate for this model. On the other hand, calculation for self-fulfillment (Table 20) predicted the significant impact on women's motivations to start up their own businesses (sig. = .674, that is  $p < .005$ ).

**Table 20. Regression Summary of Self-fulfillment**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.821	.674	.671	.793

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.646	.163		3.966	.000
	Self-fulfillment	.901	.056	.821	15.996	.000

*Predictors:* Self-fulfillment

*Dependent Variable:* Entrepreneurship

There is also strong relationship between self-fulfillment and entrepreneurship motivation which tells its influence on business start ups activities (Beta = .821). Another indication is that 67.4 % of variance in the entrepreneurship motivation is

explained by self-fulfillment. This high value explains that self-fulfillment feeling of women entrepreneurs in Kyrgyzstan has an important role in achieving self-realization.

In summary, the overall results tell us that self-employed women seemed to measure their successes internally by professional development, skill improvement, and personal growth rather than by profits or business growth. This represents when the level of self-fulfillment feelings is higher the probability of starting up own business is also high. However we can not predict how far this finding is true. Because personal needs of women can be interlinked with each other that by the time they cannot be exactly defined which need is the most important for them.

### **3.3. PULLED OR PUSHED MOTIVES-RECONSIDERED**

Motivation theory argues that individuals are either pulled or pushed toward a career choice, such as becoming an entrepreneur (Huges, 2003). The current study summarized about women's entering into businesses by the effect of main pull and push factors. Pull factor was identified by the personal characteristics of women entrepreneurs such as desire for profit wealth, desire for independence, self-fulfillment, opportunity perception, need for achievement, family business, and tolerance for risk. On the other hand the main push motives were characterized by the effects of negative external factors that was followed by job dissatisfaction, glass-ceiling, unemployment, and family reason (financial reason). Several researchers explained the entrepreneurship motives in view of those personal characteristics and negative external factors within the framework of pull and push factors. (Gilad & Levine, 1986; Shapero & Sokol, 1982; Brush, 1999; Kjeldsen & Nielsen, 2000; Orhan & Scott, 2001; Sarri & Trihopoulou, 2004; Sriram, *et al.*, 2005; Walter & Kolb, 2006; Shaver & Schojoedt, 2007). The overall result of the current study gives us the main explanation about women entrepreneurs' motives in Kyrgyzstan that whether they were pulled or pushed in starting their own businesses. The evidences show us that women in Kyrgyzstan seem to be motivated more by push factors that are mainly related to negative external factors

as job dissatisfaction, unemployment, glass-ceiling, and family reason (financial reason). In fact, economic changes such as downsizing, redundancy were the main reasons for women to be unemployed since economic transformation in a country and it was the primary reason for becoming self-employed as they were suffered from no longer need for a job and therefore they were out of work. As for job dissatisfaction of women in Kyrgyzstan, it seems like they were more dissatisfied with the factors of pay (or employment relationship). Because, economic instability in country left many employees, especially who worked in public sectors, as the less paid ones without any improvement in their incomes. Meeting the family needs then also become the main obligations of women while the economic changes influenced the reduction in their breadwinners' income, concerning their husbands. Consequently the financial reasons (insufficient income) gradually has enabled many employees switch from public to more advantageous private jobs such as starting up own businesses. Obviously in the early years of 1990, unemployment coupled with labor market discrimination that women were generally the first to be fired and the last to find new employment and this might be the reason of glass-ceiling toward women. By the time this condition enabled women to seek for other opportunities to be employed and led many of them to start their own businesses generally based on retail trade and services. Because these are the areas in which often limited experience and knowledge make them more eligible.

On the other hand women entrepreneurs in Kyrgyzstan also seem to be motivated by pull factors that are mainly related to economic reasons such as desire for profit wealth, self-fulfillment, and family businesses. The expectation of more wealth and income from entrepreneurship might pull women to become self-employed one. As it was told "the entrepreneur sees only profits", this expression comes to be true while they are motivated to start their own activities by desire for profit wealth. Gradually, this desire might lead them to their career advancement in their interested fields and realization of personal needs or self-fulfillment take place consequently.

Family business itself pulls an individual if he or she has potential supports from their cloth relatives. Generally, women entrepreneurs in Kyrgyzstan have support from their husbands and most of their businesses were established by the financial help of their husbands first. Other cloth relative as brother, sisters, and parents are also backed their effort and rendered enough help for them. Especially, such help was provided for those women entrepreneurs who are single or widowed and do not have external supports.

However the remained personal factors such as need for achievement, independence, tolerance for risk, and opportunity perception, do not have effects on their entrepreneurship motivations. These factors of pull predict that they have less importance in the attitude of women toward entrepreneurship activities notwithstanding the fact that in many studies these factors found to be the most important personal characteristics influencing entrepreneurship. The explanation for this again may lay back on economic change of transition that did not allow women to care more about their personal merits. Transition has had a multifaceted impact on women. For some it brought about new opportunities, and they have been able to successfully capture them, starting up their own businesses. For some others, it meant the destruction of their livelihood that pushed them to the bottom of social hierarchy. Consequently situation witnesses the effect of transition on the female population at large.

In general, it is hard to say that women owned small-businesses in Kyrgyzstan will be advanced as huge enterprises like in developed countries. The lack of advanced educations in finance and information technology may not allow them to improve their further prosperity. If it is asked, that can small businesses of women in Kyrgyzstan, who involved in to entrepreneurship activates, became progressive in relevant business sectors creating more job places, the answer will be less probability. Because, their businesses generally based on retail trade and service sectors represent static form of businesses ownership rather than dynamic. From this view, the pull of women into entrepreneurship in Kyrgyzstan additionally became less important motivation factor.



The reason is that, pull factors motivate them to challenge for the innovativeness and development of existing business activities while push factors motivate just for intention to improve personal needs that is resulted from the experience of negative factors in their previous lives such as job dissatisfaction, unemployment, glass-ceiling and financial reasons. Thus, it can be inferred from these explanations above that woman entrepreneurs in Kyrgyzstan are more pushed than pulled to entrepreneurship.

## CONCLUSION

The purpose of this paper was to investigate the main motivation factors that pulls and pushes individuals into entrepreneurial activities. However majority of research studies are generally based on male entrepreneurs and the studies on the real condition of women entrepreneurs are scarce. Thus, not all factors can be similar for the gender issues such as personal characteristics of entrepreneurs. In this context, the study objectives referred to women entrepreneurs analyzing factors associated with entrepreneurship motivations and then determine weather some of those factors are more influential than others.

The study listed major motivation factors of entrepreneurship that is subject to women entrepreneurs and according to empirical research studies these factors are divided as pull and push. The push factors were represented by the negative external factors such as unemployment, job dissatisfactions, financial reason which is related to family reason and glass-ceiling. These variables are used to clarify their relationship with the motivation of entrepreneurship. As a result these all negative external factors found to be statistical significant providing hypothetical support to the model. Thus, it is concluded that push factors such as job dissatisfaction, glass-ceiling, unemployment, and family reasons (financial reason) are found to be important factors that pushed women in Kyrgyzstan to switch from paid employment to self-employment. These factors became primary reasons of push because of the early economic change in a country when the transition to market economy caused a crisis situation, and decreased indicators of human development. During the first years of independence, from 1991 until 1995, the country experienced drastic reductions in output and income in all sectors of the economy. Hyperinflation and rising unemployment led to a dramatic increase in poverty and inequality. In fact, economic changes such as downsizing, redundancy in a country were the main reason for women to be unemployed and the primary reason for becoming self-employed as they were suffered from no longer need for a job and therefore they were out of work. As for job dissatisfaction of women in Kyrgyzstan, it seems like they

were more dissatisfied with the factors of pay (or employment relationship). Because, economic instability in a country left many employees, especially who worked in public sectors, as the less paid ones without any improvement in their incomes. Consequently the financial reasons (insufficient income) gradually has enabled many employees switch from public to more advantageous private jobs as running own businesses. Obviously in the early years of 1990, unemployment coupled with labor market discrimination that women were generally the first to be fired and the last to find new employment and this led many women to start their own businesses generally based on retail trade and services. In this connection women in Kyrgyzstan became more active in running their own businesses due to economic necessities and meeting the family needs become the main obligations of women while the economic changes influenced the reduction in their breadwinners' income, concerning their husbands.

The pull factors determine women entrepreneurs' personal characteristics of motivation to start up businesses and it was used to analyze whether they were motivated by pull factors. These factors were represented by personal factors such as desire for profit wealth, desire for independence, self-fulfillment, opportunity perception, need for achievement, family business, and tolerance for risk. These variables are also used to understand their relationship with the motivation of entrepreneurship. However the findings listed only desire for profit-wealth, self-fulfillment, and family business as reasons that have strong relationship with the entrepreneurship and provided statistical significant support of the model. Thus, only these factors are found to be important that pulled women entrepreneurs in Kyrgyzstan to start their businesses. Other variables such as opportunity perception, need for achievement, and tolerance for risk provided weak support and showed no relationship with the entrepreneurship motivation. At least tolerance for risk of women had a little similarity with the common characteristics of entrepreneurs that they are found to be moderate risk takers. However in theory women are all reluctant to take higher risks because certain amount of risk exist with any business venture and those ventures with greater returns frequently require more risks. Instead they take calculated risks or less-risk. Therefore, when economic instability in

Kyrgyzstan continues generating uncertainties and the risks in business environment also remains to exist, and these risks become unbearable for women entrepreneurs that they face in their business lives. On the other hand women became successful even in hard time of economy with their personal motives of self-fulfillment, desire for profit wealth and family business environment of cloth relatives and these pull factors can be interpreted as complementary to those push factors through which the establishment of businesses were accomplished safe and successful.

However, the situation varies throughout the countries of transition. Whereas in developed countries women have dramatically advanced their social and economic status, but women in many countries in transition like Kyrgyzstan have suffered setbacks. Many have lost their jobs due either to an economic decline and laying off of workers that followed the initiation of transition, or due to the collapse of public support for working mothers and a consequent drastic reduction of public child care, causing many women to leave their jobs.

Transition has had a multifaceted impact on women. For some it brought about new opportunities, and they have been able to successfully capture them, starting up their own businesses. For some others, it meant the destruction of their livelihood that pushed them to the bottom of social hierarchy. Moreover they have faced difficulties in getting loans from banks in order to subsidize their business ideas. In most of the developed countries many of women entrepreneurs left the corporate world to be on their own, and to utilize their technical and educational skill. These women came to the business world with more experience, education, management experience, networks and capacity to obtain business loans. But, in countries of transition such as Kyrgyzstan women business owners generally had previous work experience in teaching, retail sales, office administration, or secretarial areas rather than executive management or technical position held by men. Because of lack of business experience and knowledge of financing, women often had difficulty in obtaining loans to start a business. Another difficulty of getting loans is that women-owned and led enterprises, however, are less

profitable than those owned by men even in the same industry. Various studies cite a number of reasons:

- Banks treat women's businesses differently than those owned by men.
- Lack of support networks (banking, professional, business, etc.).
- Reluctance to participate in networking.
- Women's reluctance to take a risk.
- Women's choice of industries for starting up businesses.
- Lack of role models and mentors.
- Lack of business managerial experience.
- Lack of technology literacy.
- Women's reluctance to employ new technologies in their businesses.
- Women's reluctance to seek opportunities to expand their businesses.
- Lack of knowledge and information about industries and markets.
- Lack of self-esteem.
- Difficulties in making decisions.
- Women more often seek advice from their family members and friends rather than from independent experts.
- Competition between business and family obligations, and women therefore devote less time to their own business than men.
- Tendency to focus on details, while often ignoring the wider picture of demand/supply developments.

As a result, women's businesses tend to be smaller and technologically less advanced. Most new women's businesses have been created in the service sector, which is more volatile, and often represent a market version of women's traditional activities within the household.

Responding to economic shocks, however, many women in countries in transition have developed survival strategies, which in some cases have been transformed into

valuable business solutions to the economic problems they have been facing. An example of such solutions is, for instance, credit unions created by women-vendors and rural women in order to meet their need for operational capital, and also to overcome restrictions on their access to financial resources in the formal banking sector. In Kyrgyzstan, the Credit Union “Kairat Bol” was created on 6 July 1988, at the initiative of 11 employers of a drybskim milk factory. Since then, it has been reached a successful development utilizing small business entrepreneurship. The initial purpose of the Credit Union was to help low-income groups of the population, the majority of which consist of women with many children, single mothers and orphans. The Credit Union provides financing mainly in the area of agriculture, manufacturing and processing of agricultural production and small and medium trade. As a result it has been a great opportunity especially for women to start and develop their businesses in various sectors.

The main conclusion reached by this study is that in order to succeed women entrepreneurs in Kyrgyzstan it is strongly needed:

- To strive to improve their financial skills, knowledge of markets and technologies,
- To become aware of the shortcomings those undermine their perspectives,
- To improve their relationship with the banking sector, as well as the perceptions of the banks about women’s entrepreneurship,
- To expand women’s business networks, and to improve horizontal and vertical cooperation between women entrepreneurs,
- To rely on high quality professional services,
- To develop governmental support for women’s entrepreneurial activities, considering their social and economic contribution.

When these all needs come to actions, the negative external factors of push might be decreased to minimum in establishing and improving businesses among women entrepreneurs and factors of pull which is positive internal factors representing personal characteristics would dominate to influence women’s entrepreneurship.

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## APPENDIX-1

Please, fill out the empty boxes with your appropriate answers.

### Demographic Questions:

- **Age:**  
 20-24     30-34     40-44     50-54     60-64  
 25-29     35-39     45-49     55-59     65-...
- **Marital status:**  
 Single     Married     Divorced     Widowed
- **Level of education:**  
 School     Bachelor Degree     Master Degree     PhD or more
- **Ethnic group:**  
 Kyrgyz     Russian     Uzbek     Other .....
- **Occupation:** .....
- **Current Business activity:** .....
- **Experience before starting own business:**  
 Employee     Household     Student

### 1) If your answer is “Employee” then could you please answer the following questions?

- a) Last time when you worked for someone else or for an organization what was your job title or job position? .....
- b) How many years you worked there? .....
- c) What type of organization was it?

- |                                                   |                                       |                                      |
|---------------------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> Industrial               | <input type="checkbox"/> Agricultural | <input type="checkbox"/> Educational |
| <input type="checkbox"/> Service                  | <input type="checkbox"/> Governmental |                                      |
| <input type="checkbox"/> Informational Technology | <input type="checkbox"/> Other        | -----                                |

- d) How satisfied were you with this job?

Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

### 2) The physical working condition in previous work place was too bad.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

### 3) I was not paid what I deserved and our salaries were always postponed.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

### 4) The quality of supervision was too low.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

### 5) There was inadequate regulation of company/ organization policy.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**6) The employment guaranteed us with no job security or retirement fund.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**7) There was a gap between superior and subordinate relations and with others too.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**8) My contributions were not recognized.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**9) I was not taken seriously.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**10) I felt isolated as one of few women or minorities.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**11) I was excluded from informal networks/ communications.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**12) I was affected by downsizing process before starting up my business.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**13) I was affected by redundancy process before starting up my business.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**14) There were no any other job opportunities when I had lost my job.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**15) I was fired and I could not find the desired job.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**16) My situation in the past was related with the contracting out by past employer.**

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**17) I want to earn more money and become a rich.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**18) Meeting the family needs is my responsibility.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**19) I go my own way in life, regardless of the opinions of others.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**20) I disregard rules and regulations that hamper my personal freedom.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**21) In running my life, I try to be my own boss.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**22) I prefer to work alone on a task.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**23) I usually want to accomplish my goals through my own effort.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**24) I like to be successful in competitive situation.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**25) It is important for me to achieve self-realization.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**26) I have an eye for opportunities, I like to seize opportunities as they arise.**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**27) If I see there is a potential gain from something I capture it at once for the future**

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

• **Prior to your going into business, had any of your close relatives ever owned a business? If yes, then chose one of your relatives below:**

Mother <input type="checkbox"/>	Brothers <input type="checkbox"/>	Spouse <input type="checkbox"/>
Father <input type="checkbox"/>	Sisters <input type="checkbox"/>	Other <input type="checkbox"/> -----

**28) How much help or contribution they have provided to you?**

No help	A little help	Moderate help	More help	Much help
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**29) To what extent are you willing to take a calculated risk to get ahead?**

No risk	A low risk	Moderate risk	More risk	The highest risk
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**30) I think that owning your own business has many advantages.**

Strongly Agree	Neutral	Disagree	Strongly disagree
5- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**Thank you very much for your time and cooperation!!!**

## APPENDIX-2

Пожалуйста, заполните пустые рамки с вашими соответствующими ответами.

### Демографические Вопросы:

- **Возраст:**  
 20-24     30-34     40-44     50-54     60-64  
 25-29     35-39     45-49     55-59     65-...
  - **Семейное положение:**  
 Незамужем     Замужем     Разведенная     Вдова
  - **Степень образования:**  
 Школьное     Неполное высшее образование     Высшее образование  
 Асперантура или .....
  - **Национальность:**  
 Кыргыз     Русский     Узбек     Другой .....
  - **Профессия:** .....
  - **Деятельность в данный момент:** .....
  - **Опыт прежде чем начать свой бизнес:**  
 Работающая     Домохозяйка     Студентка
- 1) Если вы ответили “Работающая”, то пожалуйста ответьте на последующие вопросы:
- a) Ваша должность на последней работе, когда вы работали на кого-то, или организации: .....
  - b) Сколько лет вы проработали? .....
  - c) В каком секторе была организация, где вы работали?  
 Сельскохозяйственный     Государственный     Индустриальный  
 Услуги     Образование     Информационная технология  
 Другие .....
  - d) Насколько вы были довольны этой работой?  
Очень довольна    Менее    Нейтрально    Недовольна    Очень недовольна  
1-    довольна    2-    3-    4-    5-
- 2) **Физические условия на рабочем месте были слишком плохими.**  
Полностью согласна    Согласна    Нейтрально    Не согласна    Полностью не согласна  
5-    4-    3-    2-    1-
- 3) **Я не получала ту зарплату, которую я заслуживала, и они всегда не платили во время.**  
Полностью согласна    Согласна    Нейтрально    Не согласна    Полностью не согласна  
5-    4-    3-    2-    1-
- 4) **Качества руководства была очень низкая.**  
Полностью согласна    Согласна    Нейтрально    Не согласна    Полностью не согласна  
5-    4-    3-    2-    1-
- 5) **Компания/организация руководилась недолжным образом.**  
Полностью согласна    Согласна    Нейтрально    Не согласна    Полностью не согласна  
5-    4-    3-    2-    1-

**6) Работа не давала нам гарантию страховки и пенсией.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**7) Существовал разрыв отношения между начальником и подчиненного, и с другими тоже.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**8) Мои вклады не были признаны\ обнаружены.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**9) Я не была принята всерьез.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**10) Я чувствовала отделенной, как одна из нескольких женщин или меньшинств.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**11) Я была исключена из неформальных сетей / коммуникаций.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**12) В прежней работе, я была сокращена.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**13) В прежней работе, я была лишней и из-зи это меня уволили.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**14) Не было других работ, когда я потеряла свою работу.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**15) Меня уволили и я не смогла найти должную работу.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**16) Моя ситуация в прошлом была связана с заключением контракта прошлым работодателем.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**17) Я хочу зарабатывать больше денег и стать богатым.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**18) Моя обязанность обеспечить семейные нужды.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**19) В жизни я делаю все по своему, несмотря на мнения других.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**20) Я пренебрегаю правилами и деятельностью, которые противоречат моей личной свободе.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**21) Я стараюсь быть хозяином в своей жизни.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**22) Я предпочитаю работать самостоятельно на задаче.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**23) Обычно я хочу достичь своих целей своими силами.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**24) Мне нравится быть успешной в конкурирующих ситуациях.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**25) Для меня важно добиться самореализации.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**26) Мне нравится воспользоваться возможностями, как они появятся.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**27) Если я вижу потенциальную выгоду, я схватываю их с целью пользы в будущем.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

• **Были ли у вас близкие родственники которые владели бизнесом, прежде чем вы занялись своим? Если да, то выберите кто именно:**

<input type="checkbox"/> Мама	<input type="checkbox"/> Брат	<input type="checkbox"/> Муж
<input type="checkbox"/> Папа	<input type="checkbox"/> Сестра	<input type="checkbox"/> Другой _____

**28) На сколько они вам помогли в создании своего бизнеса?**

Никакой помощи	Меньшая помощь	Умеренная помощь	Много помощи	Очень много помощи
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>

**29) До какой степени вы охотно готовы принять риск, для того чтобы получить результат?**

Никакого риска	Меньше риска	Умеренный риск	Большой риск	Самый большой риск
1- <input type="checkbox"/>	2- <input type="checkbox"/>	3- <input type="checkbox"/>	4- <input type="checkbox"/>	5- <input type="checkbox"/>



**30) Я думаю, владеть собственным бизнесом имеет много привелигий.**

Полностью согласна	Согласна	Нейтрально	Не согласна	Полностью не согласна
5- <input type="checkbox"/>	4- <input type="checkbox"/>	3- <input type="checkbox"/>	2- <input type="checkbox"/>	1- <input type="checkbox"/>

**Спасибо за ваше время и сотрудничество!!!**