

THE LINK BETWEEN LEADERSHIP STYLES AND BARRIERS TO ENTREPRENEURSHIP AMONG WOMEN

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ABSTRACT

The workforce has become more diverse than ever in the past. However, despite the excellent progress toward inclusion based on gender and other dimensions of diversity, inequalities and disparities seem to exist among men and women entrepreneurs. In this study, based on the survey of 1246 current and aspiring American entrepreneurs, we attempt to understand the relationship of such demographic variables as ethnicity, education, gender, and being open-minded with leadership styles of aspiring female entrepreneurs while investigating success factors based on necessity and opportunity-driven entrepreneurship.

The results demonstrate the college educated and female entrepreneurs are more relationship-oriented, while male respondents are more task-oriented. The findings show that the college-educated entrepreneurs are more likely to be driven toward entrepreneurship based on available opportunities. Our analysis provided further evidence that high self-efficacy and being open-minded are significant factors in becoming an entrepreneur. Based on the findings of this study, we provide suggestions and recommendations for equality of opportunity for current and future female entrepreneurs.

Keywords: *Opportunity-Driven Entrepreneurship; Necessity-Driven Entrepreneurship; Being Open-Minded; Leadership Styles; Task Orientation; Relationship Orientation.*

1. INTRODUCTION

According to Mason (2017), around 137,000 new businesses start each day around the globe, and many of these diverse businesses are founded by female entrepreneurs (Tao, Chinta and Mujtaba, 2018a; Mujtaba, 2010). New businesses are vital in developing the economy and competitiveness of a country (Rao, 2014; Ratten, 2014). The new entrepreneurs and business founders, especially minorities and females, do face many challenges from the initial startup of their business all the way to keeping it sustainable in the market through teamwork and relationship building events (Prohorovs, Bistrova & Ten, 2019; Ibarra, Ely & Kolb, 2013; Ely, Ibarra & Kolb, 2011; Mujtaba, 2010; Aernoudt, 2004; Kravitz, 2003; Coleman, 2000; Dolinsky, Caputo, Pasumarty & Quazi, 1993; Gray, 1992; Mowday, 1991; Allen & Rahman, 1985; Carland, Hoy, Boulton & Carland, 1984).

Female-owned businesses account for nearly one third of all businesses worldwide (ILO, 2012). Female entrepreneurs and female-owned companies represent nearly 40% of all businesses in the United States. As such, women make a huge contribution to the economy through job creation, despite the fact that they female entrepreneurs tend to face more invisible challenge and constraints (Tao, Chinta and Mujtaba, 2018a; Brush, 1997). However, males and females may face different challenges as they use diverse leadership styles to deal with the inherent opportunities.

While the female businesses are steadily growing around the globe, these entrepreneurs do face additional barriers compared to their male counterparts (Tao, Chinta and Mujtaba, 2018a). Consequently, there is a need to study the barriers female entrepreneurs face and their influence as leaders and managers in the modern workplace (Lerner and Almor, 2002). This study attempts to fill this gap in existing literature and discover some of the best practices from successful female entrepreneurs.