

## Management Styles and their Effects: A Comparative Study on the Role of Male and Female Entrepreneurs in Business Growth of Pakistan

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### ABSTRACT

*The aim of this study is to examine six different entrepreneurial management styles i.e. the archetypal, the coordinator, the perfectionist, top to bottom, the small partnership and big team venture to compare and contrast both the genders and their effects on earnings. Another significant aspect is to study the effect of these management styles adopted by the entrepreneurs' on the business growth in the context of Pakistan. For the data collection purpose one hundred twenty five (n=125) questionnaires were distributed to male and female entrepreneurs, whereas 100 questionnaire were returned. Sample includes 100 entrepreneurs 50 males and 50 females of different age groups and different contextual backgrounds of working with the experience of dealing in managerial domains. The data was compiled for descriptive statistics on the sample and independent sample t-test was used to compare both the gender groups' males and females on the basis of entrepreneurial management styles. Findings reveal that female entrepreneurs usually adopt the entrepreneurial management styles more than the male group members. In the context of developing country, it has been proved that female entrepreneurs are feeling uncomfortable to take initiative in starting their own business or taking risk as compared to males. So females rarely take big risks and their business earnings are less as compare to males. Hence, the current study on gender difference of entrepreneurs' was conducted using different samples and research instrument in order to identify which styles are more prominent in male and female entrepreneurs' to validate the adoption of different managerial styles.*

**Keyword:** Management styles, male and female entrepreneurs, business growth, Punjab

### INTRODUCTION

Entrepreneurship has emerged as a notion of increasing attention among management scholars and social scientists (Greve & Salaff, 2003). Kanter, (2000) stated that entrepreneurship is concerned with the conditioning opportunity of environment and the processes including realizing opportunity, its evaluation and taking advantage from that opportunity by the decision maker to do it all. Male and female entrepreneurs have differences in their business and personal profiles to start and run businesses in different sectors and in pursuance of their business goals (Bruni, 2004, Minniti, & Nardone, 2007; Gunke et al., 2007; Gupta et al 2009).

In this modern era men and women entrepreneurs' tend to manage their stereo-types behaviors and traditional style of managing business in their own appropriate management styles. Several studies indicated that male entrepreneurs' believe in command and control (Kephart & Schumacher,2005) competitive decision maker often unwilling to converse their matters with peers (Verheul,2003) directive and authoritative (Bullough, 2013) and exhibit themselves as task oriented (Essers,2009). But as far as women entrepreneur are concerned they are inclined toward the protocols using interpersonal skills (Oakley, 2000), energetically converse with those which are involved to arrive that at a consensus decisions involving the use of persuasion and compromise (Lockwood, 2004) always looking for developing and adopting a participative approach (Webster et al., 1999).

As far as the male and female entrepreneurial success is concerned the outcome will be followed by entrepreneurial management styles (Wu, Chiang, & Jiang, 2002). These entrepreneurial management styles are of six various types i.e. The Archetypal, The Director, The Perfectionist, The Small Partnership, The Big Team Venture, and Top to Bottom.

However, gender differences have been noticed the balance between work and family (Kirkwood, & Tootle ,2008) demographic and cultural aspects (Mueller & Thomas, (2001). Contrarily, very little researches address on male and female entrepreneurs' in adopting different entrepreneurial managerial styles (Busenitz& Barney, 1997, Jenning & McDougald, 2007). Hence the current study on gender difference of entrepreneurs' was conducted using different samples and research instrument in order to identify which styles are more prominent in male and female entrepreneurs' to validate the adoption of different managerial styles.

Hence this study was primarily aim to answer these two research questions:

1. Do male and females entrepreneurs differ in their managerial styles?
2. If differences do exist what are the characteristics of different managerial styles of male and female entrepreneurs'?
3. Which entrepreneurial management style effect the business earnings?

By comparing men and women entrepreneurs in the same sample this study will escort the polarizing men and women entrepreneur debate which is more often associated with single sex study in adopting any of the entrepreneurial management styles in any gender theoretically it will contribute to knowledge regarding gender differences specifically in the field of entrepreneurial management.

### **NEXUS OF LITERATURE:**

Entrepreneurs are those who bring change not only for themselves but also for society and the country as a whole (Battilana, Leca, & Boxenbaum, 2009). Entrepreneurs are usually considered important for which entrepreneurial management styles vary from one gender to another. Through their entrepreneurial management styles it is identified that males and females are more comfortable in opting for which type of skills for achieving success. Entrepreneurs are the persons with creativity, determination who find factors of combination for production and developing a new market, new corner, and new techniques. They used to be the risk taker and driven to achieve his goals and objectives (Littunen, 2000).

Entrepreneurs are the role models of the model era (Bosma, Hessels, Schutjens, Van Praag, & Verheul, 2011).

The literature on entrepreneurial success is quite arguable owing to a deficiency of agreement what comprises entrepreneurial success. In this regards, literature highlighted the eight different success factors (Murphy, Trailer and Hill, 1996) i.e. effectiveness, size, progress, market share and success or failure. In addition to these success factors the importance from entrepreneurs' perspective is that they still find themselves struggling. Cooper et al., (1988), in spite of diverse findings, success usually is achieved by those entrepreneurs who were involved in management styles, whichever seems appropriate and convenient to them in the context of their respective genders.

Entrepreneurial research reveals that now a days gender differences are increasingly becoming important in entrepreneurial management styles(Smart,1980).Literature reveals that entrepreneurship has mainly focused on male and female entrepreneurs managerial styles due to their convenient and greater availability as compare to females.(De sBruin et al., 2006).

The managerial approach adopted by most of the female entrepreneurs is democratic as compared to male entrepreneurs .Female entrepreneurs have the habit of building trust among their subordinates through transformational and interactive management styles(Moore,2011).Farr and Brunetto (2007) described that females usually encourage collaborative work environment as compare to men who do not usually collaborate easily with their subordinates , still try to secure their privacy and at times avoid to interact with males (Itani et al, 2011).

The personal characteristics of entrepreneurs usually create opportunities or barriers for the subordinates.Few studies indicated that females usually have a fear of taking risk (Itani et al, 2011).On the other hand few other studies reveal that female entrepreneurs love taking risks, face challenges and to put in best efforts to achieve their goals(Mordi et al.,2010).

Several management styles have been evolved up -till now. Different entrepreneurs utilize different ways of achieving their goals in the execution of different entrepreneurial styles and their effects on business growth. Since 1950's researchers have identified and described variety of entrepreneurial management styles. Kuratko and Hodgetts, (2009) described that the survival and progress for new ventures requires strategic and tactical skills and abilities to work and depend on progress and growth.

### **The Archetypal**

This entrepreneurial management style is usually adopted in case of supervision of employees and these types of entrepreneurs usually insist on tight control. Nothing in the organization can be done without their approval in their organization. These entrepreneurs' usually hate to delegate their powers and authorities.

### **The Coordinator**

It's an entrepreneurial management style in which the coordinator considers it an opportunity to work with a small team of employees.Coordinator entrepreneurs will usually have their tasks job out. And their major concern is to get their work done (Audretsch, & Thurik, (2004).

### **The Perfectionist**

Perfectionists concern is to get the work done in the best possible manner and considers every point to be real importance. These kinds of entrepreneurs are considered notorious micro managers and slight perfectionists due to the perfect output produced in their authorities.

### **The Small Partnership**

The small partnership venture is adopted by the entrepreneurs who usually go for small partnership criteria representing less control and autonomy in this type of structure and they usually share middle level decisions with one or more partners (Covin, & Slevin, 1989).

### **The Big Team Venture**

Big team venture usually puts the entrepreneurs right on the back of the tiger. This structure is adopted by the entrepreneurs after proper homework in which along with capital a growth company management team is required. The team drive by these entrepreneurs is usually upright and outstanding.

### **Top to bottom**

This entrepreneurial management style gives the entrepreneur dominating control within the big business leadership styles in which authority is delegated to few employees and the final authority rests with the entrepreneur only (Nonaka, 1988).

Researchers reveal that female entrepreneurs are more often successor in the domains of training and development than in starting new ventures of business (Fischer et al., 1993; Mitchell et al., 2003). It has been observed that more often females take the entrepreneurial initiative for small and medium size businesses (Watson, & Robinson, 2003; Brush & Brush, 2006; Collins & Low, 2010) and follow slow growth as compare to male entrepreneurs (Bednarzik, 2000; Morris et al., 2006).

## **METHODOLOGY**

Sample includes 100 entrepreneurs 50 males and 50 females of different age groups and different contextual backgrounds of working with the experience of working and dealing in managerial domains. Data was collected from self-administered questionnaires. Questionnaire consisted of two different parts; first part was related to descriptive information of respondents and in the next part they were asked to rate their entrepreneurial management styles on six different dimensions (archetype, coordinator craftsman, top to bottom, small partnership and big team venture).

## **STATISTICAL TESTS**

Descriptive statistics were compiled for the total sample and independent sample t-test was utilized to compare the male and female groups on the basis of entrepreneurial management styles. Findings were sought for the specific management styles adopted by male and female entrepreneurs on the basis of their own way of conducting entrepreneurial abilities through the mean scores.

ANALYSIS

Table 1. Demographic profile of respondents

<i>Characteristics</i>	<i>Females (n = 50)</i>	<i>Males (n = 50)</i>	<i>Total Sample (n = 100)</i>
	<i>Frequency (%)</i>		
% of Sample	50	50	100
<b>1. Age</b>			11
<input type="checkbox"/> Under 30 years	5	6	61
<input type="checkbox"/> 30–39	29	32	13
<input type="checkbox"/> 40–49	8	5	11
<input type="checkbox"/> 50–59	7	4	11
<input type="checkbox"/> Above 60 years	1	3	4
<b>2. Qualification</b>			
<input type="checkbox"/> M.Phil. or PhD	6	8	14
<input type="checkbox"/> Master’s Degree	18	25	43
<input type="checkbox"/> Graduation	33	27	60
<input type="checkbox"/> Intermediate	31	25	56
<input type="checkbox"/> Matric or Less	12	15	27
<b>3. Work Status</b>			
<input type="checkbox"/> Primarily in small business(under 100 employees)	41	15	56
<input type="checkbox"/> Primarily in medium size business(under101-500 employees)	9	27	36
<input type="checkbox"/> Primarily in large size business(over 500 employees)	0	8	8
<b>4. Primary motivation in starting a business</b>	18	27	45
<input type="checkbox"/> To take money	4	5	9
<input type="checkbox"/> I do not like to work for someone else	12	10	22
<input type="checkbox"/> To be independent	16	8	24
<input type="checkbox"/> To be famous			
<b>5. Sources from which you received initial funding?</b>			11
<input type="checkbox"/> Personal savings	5	6	25
<input type="checkbox"/> Mother/Father	16	9	10
<input type="checkbox"/> Spouse	8	2	21
<input type="checkbox"/> Friends and other family members	12	9	20
	5	15	9
	4	9	20

<input type="checkbox"/> Banks			13
<input type="checkbox"/> Any other financial institution			
6. How much capital invested at the time of the start-up?			22
<input type="checkbox"/> Rupees Less than 100,000	18	4	31
<input type="checkbox"/> Rupees 100,000 - 500,000	21	10	13
<input type="checkbox"/> Rupees 501,000 – 10,00,000	5	8	12
<input type="checkbox"/> Rupees 10,01,000 – 15,00,000	4	8	22
<input type="checkbox"/> Above Rupees 15,00,000	2	20	
11. Earning Range (within a month)			
<input type="checkbox"/> Below Rupees 50,000	10	4	14
<input type="checkbox"/> Rupees 50000– Rupees 100,000	12	8	20
<input type="checkbox"/> Rupees 101,000– Rupees 150,000	14	13	27
<input type="checkbox"/> Above Rupees 150,000	12	25	37

In the above given table it is presented that data is collected from small and large scale entrepreneurs 50 male entrepreneurs are considered and 50 female entrepreneurs representing 100 respondents. Most of the people who take the initiative being entrepreneur at the age group under 30 to 39 and mostly male as compared to female's years and very few people take the initiative of becoming entrepreneurs at the age above 60 years.

As far as qualification is concerned most of the females become entrepreneurs after completing their education at any time in their life whereas men are a bit less than females but it also represents qualification doesn't really depends upon becoming entrepreneurs as even persons matric or under become entrepreneurs. Most of the females primarily started a small scale entrepreneurial activity no woman was found from the participants for large size business activities. Most of the males from our data took the entrepreneurial activities in the medium size business activities .

The primary motivation to start a business for making and taking money on the person own was more privileged for males and females but males from our sample has given prioritize it. And then the same matters for females and then is the males concern to become independent. The sources from which the participants received initial findings reflected that maximum number of females gained the finance from their parents and relatives whereas most of the males arranged their funds banks and financial institutions. Usually most of the females took the initiative of their entrepreneurial abilities from minimum Rs.500000/- whereas most males took the initiative from more than 1million i.e. males usually invest in large size businesses and in the same manner earn more as compare to their female counterparts. And females are usually reluctant to go for such big businesses to avoid big business risks.

**Table 2. Descriptive statistics of measure items**

<i>Items</i>	<i>N</i>	<i>Mean (male)</i>	<i>SD.</i>	<i>Mean (Female)</i>	<i>SD.</i>	<i>Mean Difference</i>	<i>T-test</i>
<i>Archetype</i>	100	3.50	.74	3.81	.68	-.31	-2.74**
<i>The coordinator</i>	100	3.53	.61	3.78	.61	-.37	-2.92**
<i>The craftsman</i>	100	3.54	.60	3.68	.56	-.19	-2.31**
<i>Top to bottom</i>	100	3.60	.78	3.79	.78	-.27	-2.00**
<i>The small partnership</i>	100	3.68	.59	3.80	.59	-.23	-2.25**
<i>Big team venture</i>	100	3.42	.67	3.57	.67	-.37	-2.31**

\*Represents coefficient is significant at 1% and \*\*Represents that coefficient is significant at 5%.

The average results reflect that females adopt usually archetype entrepreneurial and small partnership .Female entrepreneurs usually adapt different types of entrepreneurial management styles whereas males mostly adopt the small partnership entrepreneurial management style. Females adopt small partnership entrepreneurial management style as a second priority after archetype.

**Table 3. Reliability of measurement**

<i>Constructs</i>	<i>Valid N</i>	<i>Number of Items</i>	<i>Cronbach's Alpha</i>
<i>Archetype</i>	100	6	.958
<i>The coordinator</i>	100	3	.930
<i>The craftsman</i>	100	3	.824
<i>Top to bottom</i>	100	2	.791
<i>The small partnership</i>	100	2	.863
<i>Big team venture</i>	100	3	.823

\*\*The mean difference is significant at the level .05 (Two Tailed)

The results reflect that on average all the items are strongly mutually consistent with each other as the values of cronbach's alpha falls among .791 to .958 in entrepreneurial management styles adopted by both the genders.

### **Gender Pressure on entrepreneurial management styles**

This portion provides the empirical evidence reflecting the gender influence on need to become entrepreneurs and adopting different entrepreneurial management styles as per their nature. In consideration of this, the results of independent sample t- test are presented in the table given below:

**Table 4. The results of independent sample t- test**

	<i>Mean (male)</i>	<i>SD.</i>	<i>Mean (Female)</i>	<i>SD.</i>	<i>Mean Difference</i>	<i>T-test</i>
<i>Entrepreneurial management styles</i>	3.58	.63	3.75	.55	-.17	-1.77*

\*The mean difference is significant at the level .10 (Two Tailed)

The above given results present that on average basis females have higher need to become entrepreneurs than the males. Although, there is slight difference as shown through our data collection of males and females in determining which entrepreneurial management styles them usually opt for.

## DISCUSSION

In this section of the paper, our main concern is to support the results of our study regarding entrepreneurial management styles with the previous literature. According to Kanter, (2000), Entrepreneurship is concerned with the environmental opportunities and the process of discovering these opportunities, developing and evaluating the opportunities and the decisions taken by the person taking the initiative. The results of entrepreneurial research study depicted that now a day's gender differences are increasingly becoming important in entrepreneurial management styles (Smart, 1980). Male and females have variances in adopting entrepreneurial management styles: the results of the study shows that female entrepreneurs are Archetype (mean: 3.81), The coordinator (mean: 3.78), The craftsman (mean: 3.68), Top to bottom (mean: 3.79), The small partnership (mean: 3.80), Big team venture (mean: 3.42). while male entrepreneurs are Archetype (mean: 3.50), The coordinator (mean: 3.53), The craftsman (mean: 3.54), Top to bottom (mean: 3.60), The small partnership (mean: 3.68), Big team venture (mean: 3.42). From the above results it has been cleared that male entrepreneurs are mostly used the small partnership management style (mean: 3.68), and female entrepreneurs used Archetype management style (mean: 3.81) as their mean value are high as compared to other entrepreneurial management styles.

Literature reveals that entrepreneurship has mainly focused on male managerial styles due to their convenient and greater availability as compare to females (De Bruin et al., 2006). Due to this convenience, male entrepreneurs are usually successful in medium and large size businesses while females probably fall in the circle of small scale business. Another important Endeavour that come in front of us that female entrepreneurs are less risk takers as compared to male entrepreneurs probably that would be the reason for their small amount of investment and ultimate profitability. The results of current study supported this literature though the following output figures from the entrepreneurs of Pakistani context: 41% females are in small business and only 9% are in medium business. While when we talk about male entrepreneurs, 27% males are in medium size then small size (15%) and in large size (8%). The results shows that 21% females initiated the business with about 100,000-500,000 while male entrepreneurs (20%) are quite brave in taking the initiative of the business with huge amount like above 1.5 million.

## CONCLUSION

Through the overall findings it is observed that there is significant mean difference in male or female intention to opt entrepreneurial management styles. In the context of developing country, it has been proved that female entrepreneurs are feeling uncomfortable to take initiative in starting their own business or taking risk as compared to males. While males are very brave in this sort of initiatives that's why they earned a very huge amount of money. Pakistani entrepreneurs and their management styles depend upon their gender. The results of the study proved that female entrepreneurs are mostly used Archetype and male used small partnership management style. In a nutshell, entrepreneurship is considered as an ability of a person in which he or she behaves as a self-starter to work in enthusiastic manner. In individualistic perspective, there are so many advantages which may be availed if follow entrepreneurial management styles by both the genders.

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