

# A STUDY OF WOMAN IN THE BUSINESS ENVIRONMENT

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## ABSTRACT

In the past, business and particularly the upper echelons of the corporate environment were considered a man's world and few women ventured or were successful in this restricted environment. Today, a different story is emerging. Women are becoming more visible and more successful in the business environment. More and more young women are considering business as a possible career option by enrolling in business classes, obtaining their MBA's, or opening their own businesses.

In this paper, I will first deal with the question of why women are becoming more involved in today's business environment by discussing the following changing phenomena.

1. The issue of culture and its relationship to leadership.
2. The growth of globalization.
3. The new role of management
4. The growth of entrepreneurship of small or middle size businesses, and
5. Changing technology and economic patterns and their effects on businesswomen.

Second, I outline some of the challenges and issues women need to address despite their recent success in entering the business arena. Lastly, I present some thoughts and suggestions on how the Business curriculum needs to change in order to prepare and facilitate the growth of future business leaders.

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## INTRODUCTION

This paper is written from a western woman's point of view. I predominantly draw on studies that have been done regarding western women and their experience in the business environment, with particular emphasis on aspects of working in Asia. In order to reduce caviling, I wish first to acknowledge that I am making generalizations about women and men, and their business styles and beliefs. This is not to forget that there are individual differences, but I am dealing only with overall tendencies. Likewise, in regard to Asian and Western practices, I also deal only with general impressions, many of which are in a state of transition as noted in the recent Japanese change in attitude towards women doing business (The Japan Times, 2002). Second, I wish to confess that this paper is biased. I believe that women can and should

have a stronger role in business enterprises and this prospect fills me with feelings of anticipation and joy. The skills required of corporate leaders are changing, resulting in an increasing need for more women at the higher levels of management.

### The background

Women's involvement in business did not become an area of interest for research and discussion until 1970's, when the decade between 1975 and 1985 was declared by the United Nations as the Decade of Women. Articles and research slowly started to appear regarding the role of women in business and by the 1980's women's involvement in business was visibly increasing. The number of women in the U.S. holding managerial and

administration positions increased from 15.8 percent in the 1970's to 27.9 percent in the 1980's (Lane and DiStephano, 1992, p160). Since 1997 there have been 4 World Conferences on Women (Mexico City 1975, Copenhagen 1980, Nairobi 1985 and Beijing 1995). In the 1980's and 1990's gender research and related publications regarding woman in business began to appear, as well as special conferences organized by governmental groups to encourage and support women's initiatives. Two such examples are: the Asia-Canada, Women in Management Conference in 1985, sponsored by the Canadian Federation of University Women, and Canadian Women Doing Business in Asia Conference in 1992, sponsored by Industry, Science and Technology and the Asia Pacific Foundation. Self-help books such as Branner and Willen's (1993) *Doing Business with Japanese Men - A woman's Handbook*, later became available and the number of women taking professional training in business increased. Today, substantial numbers of women are now undertaking business studies and growing numbers are becoming active in the business world. Successful role models such as Martha Stewart and Anita Roddick (the Body Shop) have become household names.

However, many studies show that women are still not playing a major role in big business. A study done by the University of Pennsylvania showed that "Women still account for less than 18% of board members at the largest (communication) companies and less than 23% of top executives" (The Japan Times, 2002, p.11). A similar study, done by the Cranfield School of Business in the UK, showed that although 58 percent of companies listed on the Financial Times Stock Exchange (FTSE) 100 index had women directors, one third of these women held titles such as Baroness, Lady, Professor and Dr. or owned large numbers of shares in the company stock (Dearlove, March 2002, p28). But more telling, many of these women held multiple

directorships, so the actual number of women involved in the higher echelons of business may be even smaller than what statistics show.

### **Women in big corporations and why they are leaving**

Despite the large number of women in the work place few women have been able to become top executives or CEO's. In the past, the corporate world was a male dominated environment and to succeed in it, it was said that women had to be better in all aspects of the corporate game than their fellow male colleagues. This began to change in the 1980's, when the number of women graduating from business schools began to increase and affirmative action sponsored by some countries pushed for larger numbers of women in the higher levels of business and government. However, big business and the corporate world continues to be a male dominated environment. As Susan Ness of the University of Pennsylvania's Annenberg Public Policy Center says, "When they get to the top, people surround themselves with those cut from the same mold.... It's discouraging but men have continued hiring more men" (The Japan Times, 2002, p.11).

All cultures differentiate between male and female roles and men and women are often expected to behave in certain ways. In the past, the business environment was particularly suited for men, especially in the west. Success depended on strength, leadership, and individualism, where confrontation and aggressiveness were accepted and sometimes encouraged. The female role was seen as contradictory to business practices and the role of the manager. Hence, women were discouraged and often blocked from pursuing careers in business. Only a few women were able to become managers and top corporate positions continued to elude women. In the last few years there has been rapid and extensive changes both in the business environment and the role

of women. For as Katherine Hammer, President and CEO of Texas-based Austin Evolutionary Technologies International, says, "Women of my generation were not raised with much power. They have got what they wanted through convincing people. These are good skills to bring to management. You want people to follow you with their hearts and minds." (Dearlove, 2002 p. 28). Later in this paper I will explain why more women are successful in today's business environment and outline the challenges that still exist for women attempting to reach the glass ceiling or opening their own business initiatives.

## Globalization

Few would argue that today, even local and small businesses need to have a global awareness and most probably a global focus to be successful. What is interesting is that the growth of new sectors and new centers of business, especially in Asia, have made us look at what may be our cultural biases, in what and how we do business. Hofstede's work, which began in 1967, brought the importance of cultural differences to our attention. He studied employees working for a large US multi-national company operating in 40 different countries and was able to discern four main divisions of national culture: Power Distance, Uncertainty Avoidance, Individualism-Collectivism and Masculine-Feminine (Hofstede, 1980). It is now generally accepted, that if you want to be successful internationally, you must learn not only about your own culture but the culture of your employees and trading partners. For the past 60 years, the U.S. has dominated both the world economy and the export of management theories. Before that the Old World (England, France, Germany and Holland) dominated trade and business culture. Today, new areas such as the Pacific Rim and China are now becoming dominant players in the world economy, resulting in a need to revise and look more closely at our management styles.

Hofstede also believes that "Most (management theorists) probably assume that their theories are universally valid" (Lane and Distefano, 1992, p. 110). However, can we not say the same thing about male managers? Do men also think that the way that they do business is universal? Hofstede goes on to ask "If differences in environmental culture can be shown to exist between countries, and if these constrain the validity of management theories, what about the subcultures and countercultures within the country?" (Hofstede, in Lane and Distefano, 1992, p. 120). Again we can apply this concept to the subculture of businesswomen. How do men tend to do business as compared to women? Are women missing out on opportunities, because we are following older management styles that were, for the most part, developed in the U.S., and which, in Hofstede's terms, ranks below average in Power Distance, very low in Uncertainty Avoidance, but extremely high in Individualism, and well above average in Masculinity. Do women managers have the same management tendencies as men? Would women managers do better in countries, that are very different from the U.S.? For example, Hong Kong is ranked as very low in Power Distance, lower than the U.S. in Uncertainty Avoidance, low in Individualism and mild in Masculinity. We may also ask why did Hofstede even chose to define countries as masculine (assertive, focus on the acquisition of money and things, and not care about others, the quality of life, or people) or feminine? Also, just because a country is defined as high in Masculinity (Japan ranks the highest) does this mean that women cannot do business in Japan? Probably not. Studies have shown that women are successful in Japan. Prime Minister Junichiro Koizumi has followed the trend of large Japanese multinationals and recently brought many women into the top echelons of government. In Japan, many small businesses are run by women. There is even a cultural tradition regarding the strength of woman in business. One such tradition

is the belief that Hakata women are particularly versed in business acumen.

Globalization is making us look differently at how business is done and questions the role of women in global enterprises as seen by the following two examples:

- Hofstede and Bond's world-wide study of IBM employees in 1988, found that "women's values differ less among societies than do men's values", indicating that women have the potential to do work abroad. (Hofstede and Bond, 1988, p. 11):

- Global competition is and will continue to be, intense in the 1980's and 90's and companies need every

advantage to succeed. The option of limiting international management to one gender is an archaic luxury of the past (Adler, 1987 in Lane and Distefano, p.275)

### The new role of managers

Globalization has transformed our perspective on how business should be done; notions about the attributes of a successful manager have also changed. The focus has moved from a cost orientation and economy of scale, to people orientation and synergy. Lane and Distefano [1992] outlined these changes as follows:

Now (1992)	Future
All-knowing	Leader as learner
Domestic vision	International vision
Predicts future from Past	Intuits the future
Caring for individuals	Caring for institutions and individuals
Owens the vision	Facilitates vision in others
Uses power	Uses power and facilitation
Dictates goals and methods	Specifies processes
Alone at the top	Part of an executive team
Values order	Accepts paradox of order amidst chaos
Monolingual	Multicultural
Inspires the trust of boards and shareholders	Inspires the trust of owners, customers and employees

(p. 50)

Many of these attributes are common in women and focus on their strengths (team work, communication, flexibility and multitasking) rather than their weakness in aggressiveness and individualism. Research has shown that women tend to have a more interactive leadership style than men and they encourage interaction. There

appears to be no difference in motivation, risk taking, and task persistence, (Adler, 1988), although woman tend to be more sensitive to different business cultures (Adler, 1986, p.22-23). There is however, some debate whether men and women are motivated by the same things (Hassan, 1994), I believe that most entrepreneurs

are motivated by many of the same needs and desires. Therefore, women may have a natural advantage in today's world to equal, if not surpass, male managers. Nevertheless, tradition holds and it is still very difficult for women to compete in large corporations.

### **Entrepreneurship and the growth of small business**

46 Entrepreneurial tendencies and the number of small and middle size business ventures are increasing. Many women are leaving the large corporate environment to set-up their own enterprises. Many are tired of big company politics, the lack of flexibility and the difficulty or inability to go up the corporate ladder. The terminology of "hitting the glass ceiling" has changed to "hitting the iron wall" exemplifies women's attitude toward career advancement in traditional corporate entities and specific business sectors. Many perceive that the effort needed to make it in the (often male-dominated) corporate world would be much better used in small companies, where women can have a larger voice, or by women opening their own companies. New technologies (Telecommuting) and economic trends are also offering more opportunities for women to work at home and to develop their own businesses. As a consequence they are able to better balance home and work, and create a business culture more to their liking. Successful women entrepreneurs are also acting as role models and inspiration. Following are two examples:

#### **Example 1**

Martha Stewart is now known worldwide and is one of the richest women in the world. Her rise to power and fame began in 1982 with the publication of her book *Entertainment*. She has turned her catering business into an empire that includes books: a magazine and a syndicated television show viewed throughout the world and an extensive line of home products. In 1999 she

took her company public and it is listed on the New York Stock Exchange.

[www.who2.com/martasteward.html](http://www.who2.com/martasteward.html)

#### **Example 2**

Anita Roddick, CEO of the Body Shop, began, as many small businesses do, in her kitchen. In 1976 at the age of 33, she decided to open a natural environmentally conscious cosmetic store in order to support herself and yet have time for her children. When she wanted to open a second shop, she was unable to gain funding from a bank and ended up selling half the business for \$8,000 to a gas station owner, who was willing to take a chance. His investment is now worth more than 145 million. The business has always been run differently from other the typical cosmetic companies. Many of the franchises were first operated by family and friends and continue to be directed predominately by women. The main focus is to create profits with principles. Hence, there is no advertising, relying solely on word-of-mouth. Today, the Body Shop is a multinational company with 1,366 stores in 46 countries and Anita Roddick is one of the five richest women in England.

[www.stfrancis.edu/ba/ghkickul/stuwebs/bbios/biograph/anita](http://www.stfrancis.edu/ba/ghkickul/stuwebs/bbios/biograph/anita)

The growth of small and middle size companies is expected to increase and offer more women more opportunities, as exemplified below:

- a. In the U.S. Dearlove, points out that there is "data that suggest[s] a generation of female entrepreneurs is slowly emerging. It is estimated that 9.1 million women -owned their own businesses and 70 percent of all new jobs are being set up in the small business sector, where women predominate" (Dearlove, 2002, p.28).

b. A similar story exists in Canada. Neal and Ursacki in their 1994 conference paper refer to the large 'intellectual capital' possessed by women and further refer to a special section in the Financial Post published in October 23, 1993 which projected that by 2000, 1 in 3 Canadian small to medium size businesses would be owned by a woman (Neal and Ursacki, 1994, p156).

c. It is estimated that by 2000 women could own half of all businesses in North America (Rossman, 1990).

### **Changing economic patterns - Asia the New Frontier**

Although, women have appeared not to be dominant in the business environment in Asia, studies show that this may be changing. In the past, the number of women managers in Asia, especially those visible to the international business community, was small. However, women are quite common in senior positions in Hong Kong, Singapore, Thailand and China. Some of the most liberated and financially successful women, I have met have been Asian women. What many be lacking is that most statistical studies have focused on major corporations and may have missed the number of woman involved in small or family-run businesses. For example, Barbara Hauser, a representative of the United Nations on issues effecting women, reports that Japan has more than 25,000 female president/owners, and a number of woman control major family owned firms in Thailand and Indonesia and Hong Kong. Large Japanese corporations and the government also now appear to be more willing to increase the visibility of women (Dearlove, 2002, p.29).

More and more studies are making the case that women are particularly suited to work in Asia, mentioning such traits as relationship building, interpersonal skills, tactfulness, conflict avoidance, tendency to do their homework, more interactive leadership and adaptability.

Hamblin and Patton have identified five categories in which women seem to be adept: collectivism, value, harmony, respect and long-term relationships (Hamblin and Patton, 1996, p.73).

### **Problem areas**

Despite recent advances there are many hurdles that women must overcome to find a place in today's business environment.

1. **Credibility.** When dealing locally or internationally, the first thing a woman needs to do is establish her credibility. This results in two challenges. First, women have a tendency to be self-effacing. They must learn to show a stronger presence and to take credit when credit is due. They must grow in their confidence level and present the image of a successful, knowledgeable businessperson. This means they must show ability and confidence in how they talk, conduct business, negotiate and interact with colleagues and clients, for each is a vehicle for defining and asserting authority. They must expect and if necessary demand respect from others. Second, they must build their credibility in areas that are just opening up to women. It is okay, if they are the only woman present at a business meeting, for as Neal and Ursacki, point out "Visibility can be advantage for there is an advantage being a woman in a man's world" (Neal and Ursacki, 1994, p.164).
2. **Type of business.** The changing economy and the growth of an aging population has brought both advantages and disadvantages. The main areas of growth focus on sectors where women have played a major role in the past. It is expected that there will be a continued demand for consumer goods and services (health care, education, leisure and tourism) and other industries

(personal care, home products) where women dominate. Infrastructure upgrading and technology are also high areas of potential employment growth but appear to lack women (Zientara, 1998 p.168; Dearlove 2002; The Japan Times, 2002). This may be changing as more and more women enter the fields of engineering and technology. Interestingly, Asia may be a model for western women, as many Asian women are studying engineering or internet technology, traditionally male dominated fields of study in the west.

3. Relationship building. No one can succeed alone. It is important not only to be able to work 'with' people but also to know the 'right' people. Some have called this the 'old boys' network. What we need is not only an old girls' network to give and share information, contacts and ideas, but also an open network, where both men and women share their knowledge and expertise. As one American female manager in Hong Kong stated, "It doesn't make any difference if you are blue, green, purple, or a frog. If you have the best price, they'll buy." (Adler, 1987, in Lane and Distefano, 1992, p. 259).

4. Myths about women as risk takers. We must remove some of the myths that have developed about woman and their ability to do business. There is no evidence of sexual differences found in achievement, risk taking, task persistence and other related skills that are so important attributes of today's manager (Neal, and Ursacki, 1994 p.166). There seems to be some conflict, however dealing with differences in motivation of woman and men. Some suggest that it is the same with men and women; others think it may be quite different. I believe that

motivation is a personal characteristic and is determined not only by personal traits but also by situations and to some extent success and encouragement. What is necessary to disband with the concept that women can't do business. This is best done by example and. What we need to have is more examples of successful women. Business students read the biography of Martha Stewart as well as Donald Trump. Similarly, we need to study the success and difficulties encountered by businesswomen including their career and businesses development.

5. Conflict of career and family obligations. Women face the difficult problem of combining career and family obligations. A study done by Neider (1987) showed that 69 percent of the businesswoman sampled had been divorced and attributed the break-up due to business (p. 27). This in itself (forced independence) may play a role in motivation and the increased interest in taking risks. Look at our two examples of successful business women:

- Martha Stewart (divorced). Interestingly, she waited until after her divorce before she took her company public and hence launched a further period of growth.
- Anita Roddick (married). Started her first business because she needed money to support herself and her children, while her husband was away. She particularly targeted a market niche, where she had high interest but also gave her the time and flexibility to deal with family matters.

6. Financial backing. Some studies assert that business owners have the same access to finance because loans are based on the quality of the business plans, amount of collateral

and experience (Hassan, 1994). Their arguments may in turn explain however, why many women find it difficult to get financial backing and must turn to non-traditional sources like family, friends and acquaintances. Only recently has the number of women taking business courses and MBA's approached the numbers of men taking similar courses. As mentioned earlier, men appear to have many more opportunities for networking, and thus increase their knowledge base through special business organizations, rotary clubs and the infamous old boys' network. All of which help develop career options and better business planning. Women, for the most part, have fewer organizational opportunities and, if they are married and have children, are limited in the time available to expand their contacts. Many women start their business when they are young or raising a family and thus lack both collateral and experience. Women often have difficulty in getting loans because of lack of financial records needed to establish credibility, and some believe their very success is questioned because of gender (Adler and Izraeli, 1994). This lack of financial backing may result in women delaying the growth of their businesses, forming partnerships with other woman, or remaining small.

## Conclusion

There are strong indications that women are becoming more active and successful in the business world. It is hoped that in the future, we will have more examples of women, who have made their mark in different business sectors and the world economy in general. Studies show that women can be successful in the world of business, but we must also accept that there are still difficulties and hurdles to overcome. If we

see the value of opening the doors of opportunity to women and therefore, to offer a more level playing field, the following needs to be added to the business curriculum:

1. More woman business teachers need to be recruited to act as role models and an inspiration to students.
2. Design business courses that include examples of successful businesswoman.
3. Do more research on gender in business and make certain these studies are readily available to students and the public at large.
4. Encourage students, but especially female students, to work on their networking abilities, including who and how to network, beginning in the university environment.
5. Earlier in the paper, I quote an item from The Japan Times: "When they get to the top, people surround themselves with those cut from the same mold" (The Japan Times, 2002, August 31, p11). This idea has two implications. First, we need more women at the top. Second, the mold should be changed to mean people who share the same interest, ability, experience and education, not the same locker room. We need more women CEO's, to demonstrate that women can be successful in business and to act as role models. This will also give us the opportunity to observe and study a new style of business management that may have a distinct female emphasis.

In the past it was very difficult for women to enter and succeed in the business world. Today, more and more women are not only entering the business environment but also becoming key players in developing new business enterprises. It is therefore time us to pay more attention to how the business environment is changing and the new and expanding role of businesswomen.

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