ENTREPRENEURIAL LEARNING: GENDER DIFFERENCES

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Abstract

Objectives: This study aims to explore the differences in the entrepreneurial experiences between male and female entrepreneurs. The study investigates what entrepreneurs learn, how they learn, who they learn from and what prompted such learning.

Prior Work: While Fenwick (2002) suggests that female entrepreneurs learn subjectively and thus differently from their male counterparts, other studies such as Kirkwood (2009) conclude that men tend to have higher self-confidence than women and this affects their entrepreneurial intentions. In their study, Van Velsor and Hughes-James (1990) indicate that although most of the respondents reported job assignment as the significant learning incident, there were subtle differences between the preferences and sources of learning among men and women managers. However, Bryans and Mavin (2003) argue that because women are sometimes placed in less visible and less responsible positions, the new assignment they receive and the lessons they subsequently learn are significantly different from those of men.

Approach: The data under analysis is drawn from a qualitative study which involves in-dept, semi-structured interviews conducted longitudinally in ten case study companies over a period of four years. The case study findings are analysed and discussed using a learning framework.

Results: The findings suggest significant differences in the learning experiences between male and female entrepreneurs. Whilst male entrepreneurs were more likely to challenge and depart from industry norms, thus utilising double-loop learning process, female entrepreneurs were more likely to engage in ‘routinised’ learning which enhances confidence, thus adopting the single-loop learning process.

Implications: The main implication of the study for policy-makers is that unique training, networking and support programmes should be designed for women entrepreneurs. The study is limited to the extent that it can be generalised to a wider population of small businesses.

Value: To date, there have only been speculations and little understanding about whether there are differences in the entrepreneurial learning experiences between men and women. Thus, policy-makers have little guidance as to whether or not unique training and support programmes should be designed for female entrepreneurs. The study is novel in so far as it was conducted longitudinally over a period of four years to sufficiently follow the learning behavioural pattern of entrepreneurs in different business sectors. This is in view of the fact that “longitudinal research inside the organisation has been noticeable only by its absence in the small firm sector” (Deakins et al, 2000, p.213).

Key Words: entrepreneurial learning, learning experience, learning process, qualitative methodology.
Introduction
The topic of gender differences in leadership style has been of great interest to researchers in recent years in the field of psychology, management and sociology as women have began to assume more leadership positions (Moran, 1992). Although the cognitive profile of men and women is becoming less and less debated, accumulating scientific evidence makes a compelling case for an innate disparity between a man’s and a woman’s brain (Boureau, 2005). Pinker and Spelke (2005) points out that although men and women do not differ in general intelligence, men tend to have statistically better mental rotation and mathematical problem-solving abilities, whereas women are more dexterous and have a better visual memory and better mathematical calculation skills. They go on to argue that whilst men focus more on status and achievement, women focus on personal life; men are interested in systems whereas women are more interested in people; and men are more risk-taking than women. Pinker and Spelke (2005) conclude that it seems unlikely that these differences might be explained by purely cultural or social factors.

The role of context and environment has been recognised in the field of entrepreneurship as being important for exploring these potential differences (Abrar et al., 2011). Therefore, this study which is exploratory in nature aims to examine the differences in the learning experiences between men and women in the business environment. Specifically, the study investigates what entrepreneurs learn, how they learn, who they learn from and what prompted such learning. It presents the results from ten case study firms to demonstrate different types of learning experience between male and female small business owners. To date, there have only been speculations and little understanding about whether there are such differences in the entrepreneurial learning experiences. Thus, policy-makers have little guidance as to whether or not unique training and support programmes should be designed for female entrepreneurs.

The last decade has witnessed the emerging importance of entrepreneurial practice on both UK and EU government policy agendas. Women entrepreneurs have made valuable contribution to national economies in terms of job creation, economic growth and development (Henry and Johnson, 2007). Consequently, the importance of female entrepreneurship has increased both among researchers and policy makers (Carter, 2000). However, according to DTI (2005) female entrepreneurs represent 6.7% of UK population and just 14% of all businesses, making an annual contribution of £50-70 billion to the Gross Value Added to the UK economy each year. The culture surrounding entrepreneurship is one of masculine perspective, thus isolating females and to a degree reinforcing the view that females are not suited to running a business. This can be evidenced through popular entrepreneurial role models, which are by majority white males, with little reference to female. The dominant view is that females are a limited group in terms of entrepreneurial activity or even the potential to become entrepreneurial.

The growing strand of research which is focused upon female entrepreneurs has demonstrated some useful patterns. For example, Abrar et al. (2011) suggest that there is meagre baseline knowledge of the entrepreneurial learning of women entrepreneurs and that qualitative research are needed in order to generate more grounded knowledge on the subject matter.

Although entrepreneurial learning has recently emerged as a new practice in entrepreneurship, it is still one of the neglected areas of the small firm research (Cope 2005). Consequently, Rae (2009) argues that our knowledge and understanding of the interaction of learning and the entrepreneurship process is still limited. This suggests that not enough attention has been paid so far to the learning processes in small firms and the impact of the processes on their performance (Michna, 2007).

The study is novel in so far as it was conducted longitudinally over a period of four years to sufficiently follow the learning behavioural pattern of entrepreneurs in different business sectors. Also, it has been argued that a longitudinal study is conspicuously lacking in small business research (Deakins et al., 2000).

The paper is divided into five sections. Following a brief review of the relevant literature context and the research methodology adopted in the research, empirical evidence is presented from the ten case study firms. The case study findings are analysed and discussed using a learning framework. From the analysis, the last section draws conclusions and highlights the limitations of the study and the implications for further research.
The Literature Context

Defining Entrepreneurial Learning
Rae (2009) defines entrepreneurial learning as learning to recognise and act on opportunities, and interacting socially to initiate, organise and manage ventures. Similarly, Politis (2005) describes entrepreneurial learning as a process that facilitates the development of necessary knowledge for being effective in starting up and managing new ventures. Entrepreneurial learning can also be construed as a lifelong learning process, where knowledge is continuously shaped and revised as new experience takes place (Sullivan, 2000). Therefore, a better understanding of entrepreneurial learning is imperative as it is through learning that entrepreneurs develop and grow (Cope, 2005).

The above definitions suggest a strong relationship between the entrepreneurial process and learning. Minniti and Bygrave (2001) emphasise that entrepreneurship is a learning process and a theory of entrepreneurship requires a theory of learning. The different factors affecting entrepreneurial learning can be highlighted. Firstly, prior knowledge and information cues combine to produce new knowledge on which entrepreneurs rely to recognise and exploit opportunities (Holcomb et al., 2009). Secondly, the entrepreneur's career experience, in terms of start-up, management and industry-specific experience, is positively related to the development of entrepreneurial knowledge (Politis, 2005).

Entrepreneurial learning has been found to enhance financial and knowledge performance (Marsick and Watkins, 2003). Van Gelderen et al. (2005) studied the relationship between entrepreneurial learning and small business performance and found a correlation between the ability to learn and the achievement of goals set by the entrepreneurs, while Michna (2007) concluded that proactive processes based on the double-loop learning will be crucial as they result in organisational changes.

Gender and Entrepreneurial Learning
In a study of 189 men and 78 women managers to determine their significant learning events, Van Velsor and Hughes-James (1990) indicate that although most of the respondents reported job assignment as the significant learning incident, there were subtle differences between the preferences and sources of learning among men and women managers. Women reported more frequently than men that other people were significant to their learning. However, Bryans and Mavin (2003) argue that because women are sometimes placed in less visible and less responsible positions, the new assignment they receive and the lessons they subsequently learn are significantly different from those of men.

Similarly, Fenwick and Hutton (2000) conclude that learning processes may unfold differently for female entrepreneurs; that women's desire, personal preferences and judgements guide the value that they ascribe to different types of knowledge and that in turn influences their work choices and direct their learning. In Coyle and Ellinger (2001), the results show that women identify growth in self-confidence and strong connections with personal and business relationships, informal and incidental learning as central to their growth and vitality. These informal strategies include informal networks, trial and error, mutual relationships with mentors, application of past knowledge into current situations and intuition.

Apart from job assignment, the business environment (macro and micro) is a strong influence on the learning experience of women (Ettl and Welter, 2010). Ettl and Welter (2010) suggest that the business environment has a particular influence on opportunity recognition. Opportunity recognition is the ability to convert an idea into a business opportunity which requires the entrepreneur to have self-confidence to take the idea through to fulfillment (Deakins and Freel, 2012) and confidence is enhanced through ‘routinised’ learning of repetition and experimentation (Cope, 2005).

In her study of how self-confidence affects entrepreneurs, Kirkwood (2009) found that women exhibit a lack of self-confidence in their own abilities as entrepreneurs compared to men. The study also indicates that for some women, entrepreneurial self-confidence grew over their time in business, while for others it appears to continue to act as a constraint - affecting their ability to access finance and curtailing their growth aspirations.

Women entrepreneurs have also been found to learn subjectively (Fenwick, 2002). The subjectivity “results from one’s positionality respective to the norms and knowledge of particular communities, one’s complex and changing understandings of ‘self’, one’s desires and intentions shaped from
cultural imagery, and one’s moving location within cultural discourses” (Fenwick, 2002:162). According to Fenwick (2002), entrepreneurial learning is a process of negotiation, working out the meaning of various interactions, strategizing one’s position, and choosing particular images to take up or resist. The only factor that seems to influence the learning of women is the women’s inner belief in their personal power to choose what they learn, how they learn, the resources they use to learn and the importance of relationships, networking and their preference for connected way of doing (Abrar et al., 2011).

Moreover, it has been argued that critical events stimulate entrepreneurs to pursue an explorative search for new possibilities (Cope, 2005; Ekanem and Wyer, 2007). These critical events provide a basis for altering future behaviour through previous experience and new information from which to learn (Ekanem and Wyer, 2007). Therefore, it can be construed that entrepreneurial learning tends to be path dependent where prior experience within a particular domain channels entrepreneurs’ attention to those domains, making it more efficient to acquire and assess diagnostic cues, as well as identify opportunities within familiar territories (Holcomb et al., 2009).

The ability of the owner-manager to learn from previous decisions, experience, mistakes and from others within their network is crucial to the ability of small firms to survive and/or gain competitive advantage (Harrison and Leith, 2005; Gibb, 1997). This learning entails not only reacting or adapting to the environment in order to cope with it and survive but it also entails “generative” learning which embodies the capacity to create and ‘bring forward’ experience, rather than wait for (and learn from) it” (Gibb, 1997, p.17). It also entails the owner-managers revising their beliefs in ways that, when they are acted upon, the organisation’s performance is improved (Huber, 2004).

In the absence of dominant power in the market place owner-managers attempts to reduce the risk associated with uncertainty by building personal relationships of trust and confidence with key stakeholders such as customers, suppliers, funds providers, etc. (Gibb, 1997). Therefore, Gibb (1997) posits that the owner-manager’s ability to develop and grow is a function of their ability to learn from these stakeholders, to build trust and interdependency with them, to use them to scan the wider business environment and to define, meet and bring forward their future needs. Similarly, given the potential self-interest and learning capabilities of all individuals within the small business, learning within such organisations will derive out of sources beyond that of the owner-manager him or herself i.e. from other members of the firm (Wyer and Mason, 1998).

In this context, the learning process may include bringing forward the learning of customers and others such as suppliers, accountants, agents, marketing channels, as well as acquaintances, friends and family as nodes in a complex network of economic relationships, dependencies and mutual obligations (Spender, 1996). Therefore, entrepreneurial learning is a complex process of continual trial and error; of learning from peers; of learning by doing; of learning from feedback from customers; of learning by copying; of learning by problem solving and opportunity taking; and of learning from mistakes (Cope and Watt, 2000; Gibb, 1997).

Entrepreneurial learning also depends upon the owner-manager’s ability and willingness to learn and to change their existing ‘mindset’ from reflection and analysis of critical events that have taken place (Cope, 2003). Key stakeholders with whom the owner-manager interfaces may also trigger the adjustment to the mindset; whereby the owner-manager’s perspective of a given situation is challenged by the stakeholder, offering the benefit of their experiences. Wyer et al. (2000) argue that if the individual is able to reflect and adjust in the light of the new insight then the development and incorporation of new constructs takes place. Thus, the potential for adopting an entrepreneurial learning perspective to enhance the understanding of how small businesses survive and develop appears high. Although critical learning events represent an entrepreneurial learning process, there is still a lack of understanding within the entrepreneurship discipline regarding the specific forms and levels of learning associated with these events (Cope, 2005).

It has been suggested that entrepreneurial learning takes place in two ways, namely, ‘closed-loop’ learning and ‘open-loop’ learning (Ekanem, 2010). Closed-loop learning arises from a situation, which is similar to what one has dealt with in the past. On the other hand, open-loop learning takes place when the situation is distinctively different from what one has experienced before. The concept of closed and open loop learning is akin to Argyris and Schon’s (1978) ‘single loop’ learning, which regards routine and immediate tasks, and ‘double loop’ learning, which regards changing habits and
routines in every day practice and experience of other people.

Entrepreneurial learning can also take the form of tacit knowledge or formal knowledge. Polanyi (1967) distinguishes between tacit knowledge which is implicit and not codified and formal knowledge which is explicit and codified. Although Polanyi discusses tacit knowledge in the context of an individual, entrepreneurial learning leads to the mobilisation of tacit knowledge held by individuals within an organisation, which can provide a forum for knowledge creation and greater effectiveness (Lumpkin and Lichtenstein, 2005).

Entrepreneurship is the ideal context for exploring potential gender differences in the learning process for three reasons. First, self-employment is a trend that has attracted significant scholarly interest in terms of shifting career development from organisational employment (Cohen and Mallon, 1999). Second, besides the obvious interest of this learning process for adults, the influences on the enterprise formation process deserve study as an important area of lifelong learning amidst the fast-changing nature of work and employment conditions (Fenwick, 2002). Third, businesses headed by women in the UK tend to be smaller and to grow at a slower pace than that of their male counterparts (Shaw et al., 2009).

The existing literature has hinted that there may be some subtle differences between the learning process between men and women. However, extant literature does not examine the link between the motivations for start-ups with the learning process. It does not explore the challenges experienced by male and female entrepreneurs and the approaches to meet these challenges (including what was learned and whom they learned from). This research is therefore designed to fill these gaps.

Research Methodology

The study employed a naturalistic, qualitative approach based on the assumption that individuals construct their own meanings from their experiences (van Manen, 1990). In view of the fact that “longitudinal research inside the organisation has been noticeable only by its absence in the small firm sector” (Deakins et al, 2000, p.213) this research was conducted longitudinally during which owner-managers were interviewed twice over a period of four years and case material built up on each company. A good relationship was maintained with each business manager since contact was going to continue over four years and for the data collected to be of high quality and also for confidential data to be shared without fear. This method, amongst other benefits, enabled the aims of the research to be more effectively achieved. It also enhanced the richness and depth of the data collected despite the small sample size.

The case study firms consisted of ten companies run by equal number of male and female entrepreneurs. The business sectors included catering, retail, business services, distribution and manufacturing. Participants were identified from the 2007 London Annual Business Survey data. The selection criteria specified that owner-managers had started their business by themselves, in the same year and had traded for two years at the time of the first interviews in 2008. Also to qualify for selection, the businesses must be of the same size with 10 employees.

The first interviews were exploratory in nature (Jarvis et al, 1996) and by telephone. They took the form of a personal open-ended reflective interview where each participant was asked to narrate their life history in business from start-up to present. They established the initial boundaries for the research as well as providing details of the owner-managers’ background and personal biographies such as age, education and training, and experience. They also focused on the problems of the business and the owner-managers’ relationships with different stakeholders such as suppliers, customers, accountants, business advisors and bank managers. This helped to throw up the major issues of the research and was also useful in building rapport (Gill and Johnson, 1997).

In the first part, participants described their experiences at various phases of the starting and developing the business. At each phase, the participants were asked to explain specific challenges and their own reasons for the choices they made. Throughout their narratives, they also described the learning challenges they experienced and the approaches they adopted in order to meet those challenges (including their learning processes and strategies and also external and internal resources). Participants were also probed to discuss what they identified to be critical incidents which triggered the learning process, whether these critical incidents were positive or negative, embedded in the relationships, choices and experiences throughout their business life.
The second interviews were face-to-face, in-depth and focused on main influences/motives for starting and running own business. In the second part of the interviews, participants reflected on their stories regarding their experiences in running their business. Also explored in the second interview were what business owners learned from their relationships with different stakeholders, how it was learned, why the learning was necessary, what was done differently and how the learning experience has led to a better chance of success. Participants were also invited to discuss their meaning of success that they felt had influenced their choices and learning in business. The interviews were semi-structured and followed a detailed interview plan which was designed to enable firstly, flexibility which enabled the topics to be covered but not necessarily in any prescribed order, and secondly, the opportunity to follow up issues raised during the course of the interviews (Jarvis et al., 1996).

The interviews were allowed to flow as conversations with questions designed to elicit free flowing narratives and respondents were allowed freedom in their responses and were encouraged to elaborate on their comments through the use of non-directive probes (Jarvis et al., 1996). The aim was to facilitate a conversation, giving the interviewee an opportunity to tell their stories (Spence and Rutherford, 2001). The first interviews lasted for about an hour, but the second lasted considerably longer than this as matters were dealt with in detail. With the agreement of the owner-manager all the interviews were tape recorded, on the understanding that the material provided would be treated as confidential.

The interviews provided the opportunity for the researcher to probe deeply to “uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience” (Burgess, 1982, p.107). They also provided an understanding of "how individuals construct the meaning and significance of their situations from the complex personal framework of beliefs and values, which they have developed over their lives in order to help explain and predict events in their world" (Easterby-Smith et al, 1991, p. 73). In the second part of the interviews, the interviewer took the opportunity to review meanings of what was heard (e.g. "Did I hear you emphasise that...?", "Would this be a fair interpretation ...?", "Is my understanding correct that ...", etc).

The data in this study were collected and analysed using an inductive process of recording, tabulation, coding, and constantly comparing emerging codes and categories with data until meaningful ideas emerged (Yin, 2009; Ekanem, 2007). Categories were allowed to emerge according to the topics emphasised by each participant related to their learning process and perception of its outcomes. The process of analysing the data began as soon as the researcher started collecting data. It was ongoing and inductive as the researcher was trying to make sense of the data collected (Shaw, 1999). The data which were tape-recorded for each respondent were transcribed verbatim. This permitted detailed comparison between respondents’ accounts and the identification of common features such as what was learned, how it was learned and from whom. The data being qualitative were convincing enough to allow a conceptual rather than descriptive analysis particularly focusing on how the respondents evaluated their learning behaviour and experiences.

Case Study findings

The learning experiences of the owner-managers in this study and the process of learning were different in some cases and similar in others between male and female entrepreneurs. Extracts from the interviews are presented in tables 1 and 2 to illustrate the different approaches. Since space does not permit the presentation of data relating to all 10 participants, evidence drawn from 4 selected cases (equal numbers of male and female participants) is presented in order to demonstrate the differences in the learning processes between men and women.

(The Effect of motivation on learning

The reasons why participants set up in business was explored in this study as motivation can have a significant influence on learning. Therefore, in 2008, during the first interview the owner-managers were asked about the main influences/motives for running their own business. The main motives for starting up in business included the desire to make money, survival, independence, flexibility, self-interest and preferred life style. Whilst the desire to make money was more dominant amongst the male entrepreneurs (e.g. “I want to make money - lots of it - Male entrepreneur Firm 3), flexibility and
survival and confidence were more prominent motives amongst their female counterparts. For example, the owner-manager of firm 6 emphasised: “Whilst financial freedom is desirable, what motivates me more is having flexibility and satisfaction in my work.”

However, there were also areas of similarities among the two study groups such as independence. In most cases, these motives were interlinked and difficult to disentangle. As the owner-managers mentioned more than one motive in the course of the interview, it was interesting to notice that for some their dominant motive of starting their business shifted over time or according to the issue or circumstances they faced.

It was little surprise to find intertwined motivations for starting up in business, compared, for example to narrow profit maximisation objectives suggested in the traditional economics literature. The survival and the self-interest motives suggest that running a business can merely be a means to an end, providing a source of income with little interest in learning. The intention is not to be exceptionally wealthy, but to keep oneself, and possibly some workforce, in employment and provide a reasonable and contented lifestyle.

**The effect of critical incidents**

It is important to note that learning in these companies was necessitated by some critical events. For the owner-manager of the general consultancy, the critical event was severe cash flow problem. During the first interview in 2008 the owner-manager highlighted severe cash flow problem because: “Customers are taking longer to pay up; they take up to 90 or 120 days to pay up” (First Interview, 26 August 2008). It was therefore not surprising that during the second interview the owner-manager recalled that: “The learning was necessary because we had severe cash flow problem” (Second Interview, 9 August 2012).

The lack of management skills were also cited as a critical incident among the participants in this study. During the first interview, the owner-manager of a transport firm stated emphatically that he “knows the transport business inside out”, but during the second interview he conceded to learning some management principles. When pressed for why he had to change his mind, he indicated that “having to deal with different nationalities and cultural differences” was the critical incident that had a significant negative impact on his business. He reflected, “I have learned now about different nationalities and cultural differences, and different approaches to doing business” (Second Interview, 13 August 2012).

A female owner of a nursery school mentioned the lack of confidence as the critical event that prompted the learning process. The owner-manager was financing the business internally and relying on public sector grants only because of lack of confidence and bidding skills to go for external funding. Consequently, the company could not achieve the desired success. When asked what she was doing differently, she indicated that her learning experience has led to a better chance of success by gaining sufficient confidence. This was captured in the quote below:

“Success, for me, doesn’t necessarily mean doing something differently, but having confidence in what I am doing... and confidence comes when I’m successfully doing things the way I want to do them” (Second Interview, 23 August 2012).

**What was learned and who from?**

On what was learned and from whom they learned, the owner-manager of the general consultancy firm emphasised during the second interview that in the last four years he has learned financial management, cost management and cash flow management. He commented,

“What I have learned from my accountant was to change our cash flow strategy. Basically, we used to invoice customers at the end of the contract, but now we develop a system of invoicing them a quarter to start with, then 40% and the balance at the end. In some cases, we invoice 50% at the start of the contract and the remaining 50% at the end” (Second Interview, 9 August 2012)

On management issues the owner-manager of a wholesale and retail business indicated during the first interview that he did not need to learn from anybody. However, four years later during the second interview, he admitted to learning from business advisors by attending “short courses” which has
helped him a lot in personnel management. The term “short courses” means informal sessions with business advisors. With respect to management, the owner-manager of the general consultancy learned from mentors and business club. As far as financial control and cash flow problems are concerned, the owner manager also learned from the bank manager “to run a flexible bank overdraft with credit card facilities” (Second Interview, 9 August 2012).

In 2008, the female owner-manager of a textile manufacturing firm indicated that she did not use any external assistance to develop their funding application or in any other area of management and entrepreneurship. She stressed during the first interview that she had sufficient knowledge of entrepreneurship generally. Therefore, she did not see what she could learn from anybody or why she should seek external assistance whether from enterprise agencies, accountants, bank managers or friends and family. When asked why she thought she could not learn from any of these sources, she responded: “We know what we are doing”.

However, in the second interview, the owner-manager acknowledged that she has learned much from Business Link who has been helping them in raising finance. She also acknowledged receiving advice and learning from different people such as friends and family and also receiving general financial advice from accountants and bank managers.

As a result of the learning experience the owner-manager admitted that the company has now a better chance of success which is demonstrated through obtaining more orders and being more organised. Beaming with delight, she proudly commented: “Since achieving ISO 9001 we have more tools to grow the business” (Second Interview, 8 August 2012).

The owner of a Caribbean restaurant who during the first interview emphasised, “In this business, you either know what you’re doing or you don’t”, implying that she did not need to learn from anybody, also reflected during the second interview:

“Yes, I have learned over the years. Trading in London’s most conservative borough is a real challenge and at times a great learning curve. The learning curve is steep. I have learned from my customers and competitors” (Second Interview, 5 September 2012)

When asked what has been learned and how the learning experience will lead to a better chance of success, she emphasised:

“To me, it is not the profit, but the experience and the confidence...Success for me is to be confident and happy in what I’m doing. Confident to do what I love! It is the fulfilment of being able to deliver quality products and service. It is not the profit.” (Second Interview, 5 September 2012).

Discussion
The analysis of the empirical evidence suggests significant differences between the learning process of male and female entrepreneurs. The distinction can be discussed under the concept of double-loop and single-loop learning.

Double-loop learning
Double-loop learning is a concept in which an individual is able, having attempted to achieve a goal on different occasions, to modify the goal in the light of experience or possibly even reject the goal (Argyris and Schon, 1978). It involves a change of habits and routines in every day practice and experience of other people. Ekanem (2010) describes this type of learning as open-loop learning which takes place when the situation is outside the boundaries of what the owner-manager’s experience can cope with. It occurs when the owner-manager challenges an industry’s norm by asking for reasons why things are done the way they are done. This type of learning calls for courage to question and revise existing practice by changing the strategy used in the organisation or industry (Michna, 2007).

It is evident in the study that most male owner-managers had the courage to depart from industry-wide norm. For example, the owner manager of the general consultancy had the courage to change their cash flow strategy from the widely used industry practice of invoicing customers at the end for 60 days credit period and develop a new system of invoicing them – 25% at the beginning, then 40% and
the balance at the end or 50% at the start of the contract and the remainder at the end. Also, against his previous usual practice, the owner manager was providing free consultancy support of 2 extra days for a 10-day contract. As a result, the company gained more exposure and credibility and was able to expand their business activities and profitability.

It is necessary to point out that critical events played a significant role in the learning process of the respondents. For example, the critical events for the owner-manager of the general consultancy firm were overtrading and a severe cash problem because customers took longer to pay up, while for owner-manager of the transport company it was the difficulty of having to deal with different nationalities and cultural differences which constituted the critical incident. Clearly, it was critical incidents which changed the behaviour of these entrepreneurs and which led to a change in management practices through the accumulation of learned experience (Deakins et al., 2000; Cope, 2005).

The owner-managers of the study firms also learned from external advisers such as accountants, bank managers and business advisors. They did this by building good relationships with them in an ongoing basis and by so doing building up trust which is essential in the learning process (Gibb, 1997; Morrissey and Pittaway, 2006). Deakins et al. (2000) argue that this type of relationship with professionals and advisors is crucial in the learning process.

Single-loop learning

Single-loop learning (Argyris and Schon, 1978) or closed-loop learning (Ekanem, 2010) is the repeated attempt at the same problem, with no variation of method and without even questioning the goal. It is a kind of duplication or routine (Cope, 2005) and a process of learning a determined way of doing something without questioning the rules or plans (Michna, 2007). A single-loop learning process involves repetition and experimentation that increases the entrepreneur’s confidence (Cope, 2005).

The evidence in the study suggested that the female owner-managers in the case study firms tended to accept industry-wide practices as ‘best practice’ without question. None of the female business owners in the study challenged or departed from the industry-wide norm by doing something radically different such as changing the normal credit period granted to customers as demonstrated by their male counterparts. For example, the owner-manager of a clothing manufacturing business was satisfied with the fact that as a result of her learning experience from business advisers the company was able to achieve ISO 9001, which was the industry’s quality standard. The achievement of the industry’s quality standard has provided the company with the “tools [confidence] to grow the company.”

The female owner-managers in the case studies seemed to be more comfortable with dealing with routine. For example, the owner of the nursery school stressed that having confidence to run her business was an important source of success. It is suggested that entrepreneur’s confidence is increased through a process of repetition and experimentation which involves ‘routinised’ learning (Cope, 2005) or single-loop learning (Argyris and Schon, 1978). Argyris and Schon (1978) describe this type of learning as a thermostat that learns when it is too cold or too hot and turns the heat on or off. The thermostat performs this task because it receives information from the temperature of the room and takes corrective action.

Similarly, the owner-manager of the men’s knit wear wholesale business stressed that she was learning to cope and to keep her “head above water.” This type of learning suggests single-loop learning which creates the confidence to carry on and to survive in the industry in the midst of the poor economic condition of the recent years. It means learning to avoid financial troubles and misfortunes. This supports the finding in Kirkwood (2009) which suggests that women exhibit a lack of self-confidence in their own abilities as entrepreneurs compared to men and that entrepreneurial self-confidence in some women grows over their time in business.

It is important to notice that women described success in the business differently from men. While men measured success in terms of profitability and the number of contracts acquired, women described success in terms of confidence to do what they enjoy doing; having the confidence to carry out their entrepreneurial dreams. Although the female entrepreneurs were also interested in the growth of their businesses, they needed self-confidence in their daily business decisions to achieve growth.
The finding with respect to the learning experiences of female entrepreneurs is consistent with Ettl and Welter (2010) who conclude that the business learning environment is a strong influence on women entrepreneurs to develop self-confidence to be able to take an idea through to fulfillment.

Conclusions

The evidence presented in this exploratory study provides insights which demonstrate that there are significant differences in the learning experience of female and male entrepreneurs. However, an important part of the findings of this study is that on some issues the difference is not apparent and given the small sample size definitive conclusions cannot be made. It is also argued that although the behaviour of small business owners is not explicitly rational, it is boundedly rational because their knowledge is acquired through experience and the learning process, and their actions and decisions are also based on what they have learned through experience rather than what they have acquired through formal education.

In the study, the owner-managers were clearly learning from their knowledge and the experience of the industry in which they operated. They were also learning from the knowledge and experience of other stakeholders such as accountants, bank managers, customers, business advisors and other professionals in dealing with different aspects of their business, including finance, management and marketing. This demonstrates the significance of interaction and learning from the exchange process between the owner-manager and their environment.

The analysis in the research has shown that entrepreneurship is a learning process based on the willingness and ability of the owner-managers to learn from their close-knit network. Therefore, entrepreneurs tend to learn based on the concept of double-loop and single-loop learning. What is learned may not necessarily be based on formal rationality concept as advocated in the literature. Formal rationality refers to actions that can be understood because they can be interpreted in terms of some calculative model (Jarvis et al., 1996).

In this under researched area, the study has also highlighted some differences (and some similarities) in the learning process of female and male entrepreneurs. The similarities centred on some of the sources of learning, whilst the differences were more about motivation, critical incidents, what was learned and how it was learned. For example, whilst male entrepreneurs were more likely to cite the desire to make money and to grow their businesses as the motivation, their women counterparts were more likely to mention the desire to have flexibility and confidence as their motivation. Similarly, whilst male entrepreneurs were more likely to challenge and depart from industry norms, thus utilising double-loop learning process, female entrepreneurs were more likely to engage in ‘routinised’ learning which enhances confidence, thus adopting the single-loop learning process.

This study makes contribution to the growing body of literature on entrepreneurial learning by discussing how owner-managers learned from accountants, bank managers, customers, business advisors and other professionals in the industry. As indicated in the study, relationships are fundamental in the learning process (Rae and Carswell, 2001). It also sheds lights on the differences in the learning experiences between male and female entrepreneurs.

The implication of this study for policy-makers is that unique training and support programmes should be designed to cater for women's entrepreneurial learning behaviour. Instead of focusing on formalised training courses, women entrepreneurs should be placed on potential learning situations where training activities are geared toward practical problems, which are specific to participating businesses. There is also strong evidence that successful entrepreneurs make use of networking activities to obtain key information which facilitates learning (Deakins and Freal, 2012). Therefore, it is suggested that policy-makers should facilitate networking opportunities where female owner-managers can interact with external advisers such as accountants, bank managers, solicitors, business advisors and other professional and learn from them. Support policies should also create awareness and understanding of the benefits of networks and remove barriers (perceived or real) to network inclusion since the absence of key social relationships of the right type hinders entrepreneurial learning (Thorpe et al., 2006). Apart from training/networking opportunities, a more helpful approach might be to support women's own meaning of entrepreneurial success and a vigorous critique on using the traditional, male signifiers of business success such as profit and size as the only benchmarks against which success is measured.
The study has several limitations which suggest the implications for further research. The major limitation of the study is the extent to which the study can be generalised to wider population of small firms since it was based on only ten case studies drawn from different sectors, which was not randomly selected. Therefore, a large-scale longitudinal study of businesses in the same sector would be necessary to test out the research results to a wider less heterogeneous population.

References


