Review of Theory and Practice Literature on Women Entrepreneurship in the Tanzanian Construction Industry: Establishing the Missing Link

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Abstract: The paper presents a review of the theoretical and empirical literature on Tanzania women entrepreneurs in the construction industry. It also discusses and argues for the aspects that lead to the requirement for a study on women-specific issues. A systematic literature review approach was applied and the member check strategy was used to minimise the author's bias. The literature involved three aspects: motivational factors for women's entry into business, the current situation of women entrepreneurs and influencing factors for the under-representation of women in the industry. The under-representation of Women Entrepreneurs in the Construction Industry (WECI) in the construction industry is caused by various factors, such as cultural background, choice of business and level of confidence. Moreover, the social structures and cultural systems that reinforce the continued subordination and marginalisation of women have major implications in their motives and involvement in business. Given the barriers faced by WECI today, there is a pressing necessity to initiate gender-sensitive empowerment programmes to enable them to succeed in their endeavours. Based on the existing literature, this paper establishes the missing link and proposes a study to formulate a conceptual framework necessary to help the public and private sector initiatives in boosting women entrepreneurship in the Tanzanian construction industry.

Keywords: Construction, Women, Entrepreneurship, Barriers and Tanzania

INTRODUCTION

Women have similar entrepreneurial potential as men to contribute to wealth creation and employment by starting and developing their own businesses. Unfortunately, their potential has not been fully realised and utilised because of the systemic challenges that women entrepreneurs face (Hanson, 2009). Specifically, globally, women who choose to pursue entrepreneurial ventures have had limited representation in the construction industry, which limits their contribution to economic development (Wangle, 2009; Verwey, 2005; Worrall et al., 2008). Women Entrepreneurs in the Construction Industry (WECI) are owners of a firm who start, manage and develop firms to undertake construction activities in the face of risk and uncertainty for the purpose of generating profits. The under-representation of WECI has been caused by various factors, such as cultural background, level of confidence and choice of business (Lincolin, 2010). For countries to realise their entrepreneurial potential and for them to fully contribute to economic development, it is important to address the specific issues that WECI face.

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The construction industry is a major component of investment with high growth potential and a sector with untapped opportunities; hence, expansion in construction activities is closely related to economic growth (United Republic of Tanzania [URT], 2005; International Labour Organisation [ILO], 2007). These activities may be new construction works or maintenance and repair works. By recognising the importance of infrastructure for economic growth, the government has continued and committed to placing considerable focus on construction by allocating 13% and 18% of the 2010/2011 and 2012/2013 development budget to infrastructure, respectively (Contractors Registration Board [CRB], 2013). The construction industry is one of the main economic sectors that requires the skills and talents of everyone, including women. However, in Tanzania, fewer than 2% of 7,036 construction firms are owned by women (CRB, 2013). Of 129 WECI, five own large, 27 own medium and 68 own small construction firms. Women continue to be under-represented in the Tanzanian construction industry (TCI). It should be noted that this is a two-phased study. Phase one (on which this paper is based) reviews the literature and sets propositions. Phase two will have empirical data and a model as an approach to address the challenges.

THEORY AND PRACTICE

Justification for a Study on Women Entrepreneurs

The creativity and talents of women entrepreneurs are an invaluable resource, which can and should be developed for both their own self-realisation and society benefit (Kikwasi, 2005; Hodgkinson, 2006). Females comprise 50.8% of the Tanzanian population (URT, 2009). Despite their majority, women are marginalised relative to men because of the existing structures and customary law. Consequently, their participation in salient sectors, such as education, is low, which partly explains the under-representation of females in decision-making positions and those that require high levels of professional and technical education (Mascarenhas, 2007), such as the construction industry. The lack of women in construction has been a concern for many years. The studies in these areas have attempted to examine the factors that affect the low level of women's participation in the industry (Gale, 1994; Amaratunga et al., 2009; Kikwasi, 2005; Hakala, 2008).

This paper is intrigued by the involvement of women in entrepreneurship, which is considered a male domain. The late entry of women into business has made male entrepreneurs the standard against which women’s experience as entrepreneurs is judged (Rutashobya, 2000; Lincolin, 2010; Nchimbi and Chijoriga, 2009). More importantly is the involvement of women entrepreneurs in non-traditional industry (NTI) since the 1980s. NTIs are industries with a low level of women’s involvement, e.g., construction, mining and agriculture. This factor alone would be of no relevance except for the extensive evidence of the historical subordination and patriarchal pressures that are experienced by women worldwide (Kantor, 2003; Dainty, Green and Bagihole, 2007). Although there is a wealth of literature for women entrepreneurs in their traditional industries (Manolova et al., 2007; Nchimbi, 2003; Baker, Aldrich and Liou, 1997), the literature on women entrepreneurs’ participation in the construction industry is lacking.
(Hunter and Kapp, 2008; Kikwasi, 2005). Women are historically disadvantaged compared to men and because entrepreneurship is considered culture-specific, it is of interest to analyse and develop an understanding by exploring their experiences in the construction industry.

Theoretical Literature

For the purpose of this paper, both foundational and post-modern human behavioural theories are reviewed. Evolving from human behavioural theories, the feminist theory evolved into the disadvantage, attribution, human capital, resource-based and cultural theories. The most prominent theory relevant to this paper is the feminist theory. Women’s strategies to succeed vary from those of their male counterparts: the feminine strategies include collaborations, work-life and diversity strategies, whereas the masculine strategies are more business-focused strategies (Kropf et al., 2003). To attract and retain female executives, the recommendation is to consider how women formulate strategies to address the barriers that confront women executives (Kropf et al., 2003).

According to Beauchamp and Bowie (2004), feminist theories recognise that subordination, inequality, or oppression of women is unethical and that women deserve equal political and legal rights, whereas Kantian and utilitarian theories neglect to acknowledge the importance that morals have in the value of other’s well-being and do not consider virtues (Beauchamp and Bowie, 2004). An example of the issues raised by feminist theorists is the disparity between men and women advancements and earnings. This disparity may largely result from the disadvantage of women because of family issues and the requirement for flexible schedules (Orhan and Scott, 2001; Gale, 1994). Feminist theories argue that in society, the different treatments of men and women may explain why compensation is less for women than their male counterpart’s earnings (Lowrey, 2006). This theory is relevant for this paper because it gives insights on the differences between men and women and some challenges for women to venture into any sector of the economy.

Evolving from the feminist theories, the deprivation argument states that societal views deprive women of education, industry experience, networking relationships and access to capital (Appelbaum, Audet and Miller, 2003; Cron, Bruton and Slocum, 2006). Deprivation of these opportunities can affect women in entrepreneurial successes. According to Shane (2003), feminist theorists supported the concept that there are existing organisationally based inequalities. This theory evolved to the human capital theory that provides possible explanations for women to be over-represented in some industries and under-represented in other industries.

The human capital theory states that corporations invest less in women’s education and training, which diminishes opportunities for women to advance in an organisation (Dreher, 2003). The resource-based theory states that a firm gains competitive advantage by effectively and creatively using resources (Hoopes, Madsen and Walker, 2003; Barney, 1991). Experience and education contribute to the resources required by entrepreneurs for a firm (Kantor, 2003), which is supported by the resource-based theory and is instrumental in determining how and what resources women entrepreneurs require to sustain successful
operations. The theory is relevant because it posits important insights that are prerequisites for a successful entrepreneurship.

In addition, the concepts of the cultural theory of entrepreneurship hypothesises that compared to male counterparts, women are less successful in business based on cultural differences (Smith-Hunter and Boyd, 2004). Evolving from the cultural theory of entrepreneurship, the disadvantage theory theorises that women become entrepreneurs because of disadvantages in the labour market (Smith-Hunter and Boyd, 2004). The disadvantage theory also applies to the challenges that women in construction face, which place them at a financial disadvantage; for example, women finance their business ventures with personal savings instead of the traditional lending and financial institutions (Smith-Hunter and Boyd, 2004).

**Situation of Women Entrepreneurs, Policies and Affirmative Action**

Businesses headed by women contribute to employment, wealth creation and economic growth through their increasing numbers, diversity of activities and diversity of entrepreneurship in the economic process (Hakala, 2008; Manolova et al., 2007). The creativity and talents of women are an invaluable resource, which can and should be developed for both their own self-realisation and society benefit (Kikwasi, 2005; United Nations Industrial Development Organisation (UNIDO), 2005; Hodgkinson, 2006). Because it was realised in the past decade that women are an important but untapped source of economic growth, the government, non-governmental and international communities have devised several initiatives to economically empower them (URT, 2003; ILO, 2004). Some initiatives directly target women, whereas others are indirect.

There are initiatives through affirmative action to redress inequalities worldwide. Basically, the affirmative actions seek to address historical injustices and act against perceived social imbalances. They are essentially based on the principle of non-discrimination (Verwey, 2005). For example, the USA takes affirmative action to ensure that all people are fairly treated regardless of their ethnic or national difference and seek to eliminate discrimination. The order aims to bring equality to disadvantaged individuals, including women and therefore creates a friendly environment for business start-ups.

In South Africa, past policies and laws deliberately favoured men, particularly white men. As a system of national strategy, affirmative action legislation had to redress the past imbalances that were created by apartheid (Mathur-Helm, 2004). Hence, women’s issues surfaced, such as their rights, equality, welfare and empowerment and the essential measures around these issues started gaining attention. Government policies and legislation have been created in favour of women and with good will. Most of these initiatives have not been successfully implemented for sustainable solutions (Verwey, 2005). The fact is that correct implementation of the strategies relies more on the fairness of the regulations and the legal protection of women’s rights and welfare than on only constitutional implementation and imposition of these policies and strategies.

Tanzania is committed to development policies that promote entrepreneurship in all sectors of the economy to alleviate poverty, generate employment, contribute to the diversity of entrepreneurship and improve competitiveness. Efforts by the government to address poverty at the national
level are enshrouded in many programmes, such as the Small and Medium Enterprises (SMEs) policy of 2003. After 10 years of implementation, the SME policy shows that it remains a valid development framework for the sector. Despite notable achievements in assisting the development of SMEs in the country, there are also challenges that impeded its effective implementation, e.g., inadequate coordination and weak synergy among stakeholders in this cross-cutting sector, insufficient resources to implement envisaged programmes, lack of prioritisation and inconsistencies in legislation (UNIDO, 2013).

The other two main frameworks are the National Poverty Eradication Strategy (NPES) of 2005–2010 and the National Strategy for Growth and Reduction of Poverty (NSGRP) phases I and II; phase I was during 2005-2010. NPES, which envisaged reducing poverty by half by 2010, was built on the Millennium Development Goals (MDGs) 1. The achievements of NSGRP phase I, which ended in 2010, were below targets; hence, it was unsuccessful (International Monetary Fund [IMF], 2011). NSGRP phase II envisions availing income opportunities across sectors through public investment and empowerment arrangements to introduce equitable participation in the production and sharing of outcomes by 2015. These National policies provide the opportunities for local communities to benefit from entrepreneurship in all sectors of the economy (URT, 2003; URT, 2005). Generally, the policies are not effective because specific measures to address gender-based obstacles to growth and poverty reduction are not identified.

Women in Tanzania are predominantly found in the informal sector; they are driven out of necessity to start entrepreneurial activities and normally enter the micro-level and low-growth sectors, where they encounter strong competition while earning subsistence incomes, particularly in traditionally women related industries, such as service and retail (Rutashobya, 2000; Nchimbi, 2003; Olomi, 2009). As a result, most of their businesses cannot generate new jobs, generate sufficient income and contribute meaningfully to the economic development because the lack of exposure and socialisation restrict their ability to identify business ventures with higher growth potential (Hanson, 2009; ILO, 2007). This situation somehow challenges the macro-economic development policy objectives.

**Influencing Factors for Women’s Under-Representation in the Construction Industry**

The under-representation of WECI in the construction industry is caused by various factors, such as cultural background, choice of business and confidence (Nchimbi and Chijoriga, 2009; Dainty, Green and Bagihole, 2007). Women’s choice of business activities is dictated by their reproductive roles, abilities in terms of education, entrepreneurial capacity and technical skills, limited start-up capital and their limited capacity to absorb the consequences of failure (Langowitz and Minniti, 2007; Nchimbi and Chijoriga, 2009). As a result, they choose activities that can be easily combined with their domestic chores and are culturally acceptable, which refers to self-imposed barriers when women (wrongly) perceive that they may not have the right opportunities and know-how to start and grow their own businesses. Self-perceptions are closely linked to the environment in which entrepreneurship occurs. For example, if a society mainly defines women through roles that are connected to family and household responsibilities, societal values
implicitly interpret women’s entrepreneurship as less desirable and provide lower normative support (Lowrey, 2006; Langowitz and Minniti, 2007).

Motivational Factors for Women’s Entry into Business

Women become involved in businesses for a number of reasons, particularly since the economic crisis of the late 1970s and 1980s and the subsequent Structural Adjustment Programmes (SAPs) of the 1980s. The SAPs intended to address the economic recession of the mid-1970s. The implementation of SAPs resulted in a freeze on wages, devaluation and lower purchasing power. Therefore, employees and families were forced to establish income-generating projects to supplement salaries (Nchimbi, 2003; Rutashobya, 2000). They were motivated by necessity, such as the need for a living and no other economic options. Nevertheless, women are not a homogeneous group because they differ in many ways, i.e., in the role and control they have in business, level of wealth, level of education, entrepreneurial capacity and experience.

Thus, more educated women with more capital start businesses in the construction industry, whereas poor and less educated women enter the informal sector to operate in the women-traditional industries (Rutashobya, 2000; Hanson, 2009; Nchimbi and Chijoriga, 2009). They are motivated by the requirement for achievement, independence and challenge (Verwey, 2005). However, the social structures and cultural systems that reinforce the continued subordination and marginalisation of women have major implications in their motives and involvement in business and their perception of success (Lowrey, 2006; Nchimbi and Chijoriga, 2009). As a partial result, women are limited to educational and financial resources. The closer women are to men socially and economically, the stronger are their motives to start a business similar to those of men, such as a business in the construction industry.

Current Situation of Women Entrepreneurs in the Construction Industry

Compared with other countries, the level of WECI in the USA is above 30% (Verwey, 2005). WECI in the USA had the development fund earmarked for gender equity. A large percentage of these funds enters the construction industry and is earmarked for qualifying WECI (Verwey, 2005; Hanson, 2009; Hakala, 2008). The national association of women in construction (NAWIC) plays a bigger role in motivating more women to join the industry (Verwey, 2005; Hakala, 2008).

In developing countries, e.g., South Africa, which has learned a lot from the USA, the level of WECI is 22%; their success has been influenced by the window of opportunity and a strong association of women with construction, which has helped to motivate more women to enter the construction industry (Verwey, 2005). In East African countries such as Kenya, women’s level of involvement as entrepreneurs is less than 1% (Dainty, Green and Bagihole, 2007). In Tanzania, women’s level of involvement is low, as only 2% of 7,036 contracting firms are WECI (CRB, 2013).

Because of women’s under-representation, the industry through its Construction Industry Policy (CIP), 2003 emphasises women’s involvement in entrepreneurship and advancement in the industry (URT, 2005; UNIDO, 2005). Therefore, there is a necessity to involve more women to use their entrepreneurial
potential to contribute to the macro-economic objectives and change the face of the industry in terms of profitability and productivity. Women involvement in business is consistent by achieving the macro-economic development policy objectives to improve competitiveness, such as the SME development policy; the CIP, for example the constitution in SA have a will to increase WECI and through the CRB strategic plan for 2010-2015, Tanzania aims to address cross-cutting issues to promote WECI (CRB, 2010).

**Barriers and Challenges to Entrepreneurship**

The on-going vision to reduce poverty requires the community and national participation in entrepreneurship. Every individual who is willing to start and run a business will encounter barriers/challenges. Gatewood et al. (2003) and Hakala (2008) summarised the barriers and suggested that the entrepreneurial challenges fall into three categories: (1) human capital, (2) strategic choice and (3) structural barriers. Obviously, the extent and severity of these problems vary by gender or type of entrepreneur, sector, nation and region. For example, it is reported that entrepreneurs in emerging nations face more formidable challenges than their counterparts in industrialised and developed nations and that women face greater challenges in most areas than men (Hunter and Kapp, 2008; ILO, 2007).

According to Hakala (2008), the barriers/challenges to women in the non-traditional industries are the lack of technical knowledge and lack of confidence and ability to make strategic choices to improve their financial position. Entrepreneurs experience these challenges in different sectors and at different stages of their evolution from infancy to maturity (Worrall et al., 2008). In addition to these challenges, the social, cultural norms and beliefs have made patriarchal societies that reinforce continued subordination and marginalisation of many women entrepreneurs (Hodginkson, 2006; Manolova et al., 2007). As a partial result, women have limited access to financial resources and lack the prior entrepreneurial competency, which contribute to the specific challenges of starting and running a business (Orhan and Scott, 2001; Manolova et al., 2007).

**The Entrepreneurial Process**

To start and manage a business is not an easy task. Entrepreneurs actually create their own odds of success by taking incremental steps that move them closer to their goals (Sarasvathy, 2006). Therefore, the effectuation theory portrays the entrepreneurial process as consisting of three variables: the characteristics of the founder/s, business opportunity and environment. It involves all functions, activities and actions that are associated with the perceived opportunities and creation of organisations to pursue them. This process involves four distinct phases, through which entrepreneurs will pass in order for them to start and manage their new venture. These phases are to identify and evaluate the opportunity, develop a business plan, determine the resource requirements and finally start and manage the enterprise (Nieman and Bennet, 2002; Hisrich and Peters, 2002). It is little known whether the WECI go through the same process and how they behave and fare in the process.
DISCUSSION: ESTABLISHING THE MISSING LINK

As found from the literature, the construction industry is male dominated for three reasons: first, women have a low level of involvement. Second, the existing industry culture and image reflect masculinity, which makes women lack fit (Gale, 1994; Hunter and Kapp, 2008; Kikwasi, 2005). Third, the industry practices, such as construction activities, require long hours and working away from home and fail to combine domestic chores with business; thus, the geographical instability and other undertakings are in favour of men. The contributing factors for the low involvement of women entrepreneurs in the construction industry are the following: lack of technical education, lack of confidence and lack of role models. Women that venture into the construction industry and grow their businesses can be considered role models who can inspire more women to choose a career in construction (Loosemore, Danity and Lingard, 2003; Lincolin, 2010).

In terms of entry, career development and retention, women face formidable barriers. Women have limited access to financial resources and lack prior entrepreneurial competency, which contribute to the specific challenges of starting and running a business (Orhan and Scott, 2001; Manolova et al., 2007). Failing to understand these factors may result in the under-utilisation of women’s human capital, perpetuation of lower living standards and implementation of costly and ineffective policies. A major management dilemma is that WECI find it difficult to access business opportunities (Verwey, 2005), which introduces the question: are the enabling measures adequate? If YES, an important question is whether women are adequately equipped to compete for business opportunities. There are general barriers/challenges that WECI face in the context of a developed country, but there may be different or additional barriers that depend on the environment in a developing country.

Women have been marginalised; hence, their businesses have been largely ignored in the literature on entrepreneurship, most of which is about men (Hisrich and Peters, 2002; Hanson, 2009). When mentioned, women’s businesses have been dismissed as insignificant because they are considered too small or in economy sectors (service and retail) that supposedly matter too little to economic growth (Baker, Aldrich and Liou, 1997; Lowrey, 2006; Organisation for Economic Co-operation and Development, 2004). As a result, male entrepreneurs have made the standard by which women entrepreneurs’ experiences are judged. Some women have formalised and are growing their businesses in the construction industry with the evidence of patriarchal pressures that they experienced. It is important to note that the effectiveness of the programmes and policies that aim at promoting WECI depend on having a thorough understanding of the experiences of these women.

CONCLUSION

This paper has reviewed the literature on the general position of women entrepreneurs and further explained the situation of women entrepreneurs in construction. Each section has been elaborated and justified and the “missing link” has been established. The literature indicated that a large portion of entrepreneurial literature is gender-blind because it is based on the experience of
males. There is a dearth of literature on entrepreneurial experiences in the construction industry. The existing studies in the area were conducted in developed countries (e.g., Verwey, 2005; Hodgkinson, 2006; Dainty, Green and Bagihoole, 2007; Hakala, 2008; Worrall et al., 2008; Wangle, 2009; Lincoln, 2010).

Decisions for WECI to leave their current positions to start up new business should be appreciated and promoted. Fortunately, the construction industry has formally partly acknowledged that the under-representation of women is an important issue and promoted initiatives in this area. However, most initiatives have not led to sustainable solutions because of the lack of understanding regarding women-related issues. Because there is no one size fits all policy solution, a thorough understanding of the experiences of WECI in terms of the motives, processes and challenges is significantly required for effective programmes and policies. Furthermore, it is vital to identify appropriate recommendations and guidelines to address some barriers/challenges. Hence, a model should be developed to help the public and private sector initiatives in increasing the level of WECI participation in the Tanzanian construction industry.

REFERENCES


