

# Gender, Age and Ownership of Small-Scale Business in Calabar Municipality, Cross River State, Nigeria.

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## Abstract

Micro, small and medium enterprises are critical to socioeconomic development, because of the enormous contributions that they make to job creation, income generation and society's stability. Available evidence points to a shrinking small business sub – sector, and this portends worsening socioeconomic conditions for the populace. Although various factors may have accounted for the situation, the focus of this study was to ascertain the relationship between socio-demographic variables and ownership of small - scale business. The study concentrated on the interconnections between gender, age and business ownership. Survey – inferential research design was adopted using a sample of 386 persons. Two hypotheses were tested and the results indicated that there is no significant influence of gender on ownership of small - scale business, and a significant relationship between age and ownership of small - scale business was established. The implications of the research findings include the fact that, while not ignoring the need to continually position the teeming youth populations for higher productivity, slightly older age groups should also be considered as target during entrepreneurship promotion programmes, in order to leverage their seeming high propensity for new venture creation.

**Keywords:** Small-scale business, entrepreneurship, age, gender, socio-demographic variables.

## 1. Introduction

The presence of various forms of business activities is one of the major features of the human society. People usually start a business in order to meet the needs of society and to make commercial gains. A good number of businesses, more often than not, commence operations as small - scale enterprises. Small – scale businesses are therefore a major driver of socioeconomic development in most parts of the world. They play an important role in helping economies achieve their developmental aspirations through the key contributions that they make toward job creation, employment generation and technological innovation.

Aside being a major avenue for job creation and innovation, it is through the activities of small businesses that new and more useful goods and services are made available in the society (Turker and Sonmez, 2009). In recognition of the importance of small businesses to society's sustenance, Nigeria's Government and other stakeholders, including local and international non-governmental organizations, socio-cultural institutions and well – meaning individuals have, over the years, been embarking on various forms of entrepreneurship development promotion in order to enable members of the society take full advantage of the several socioeconomic development opportunities that the small business sub-sector offers. One of the major steps of the Nigerian Government toward the promotion of small - scale enterprises was the establishment of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), following the SMIDA Act 2003 and its amendment in 2004. Apart from the establishment of SMEDAN as a focal Agency for small business development, Government has also put in place a number of other institutions whose activities also tend toward the growth and development of small businesses in order to enhance their productivity and sustainability (National Policy on Micro, Small and Medium Enterprises, 2013).

Generally speaking, business activities, and by extension their contribution to society's development varies in time and space. For example, although Nigeria as a whole recorded a decline in her new venture creation statistic between 2012 and 2014, whereby her New Business Density (the number of new businesses created per 1000 persons of working population) fell from 0.91 to 0.76 (World Bank 2014), Lagos is known to experience a high

and increasing wave of small business activities; a higher rate of growth in its small business sub-sector, both in terms of the number of new enterprises created and in terms of their relative performance or productivity (Nwagwu and Oni, 2015). Socio-demographic factors, among other things, are believed to contribute to the spatial and temporal variability in small business activity. This study therefore sought to examine the interconnectivity between gender, age and ownership of small-scale business.

## 2. Objectives of the study

1. To examine the influence of gender on ownership of small-scale business.
2. To examine the influence of age on ownership of small-scale business.

## 3. Research hypotheses

The following null hypotheses were tested in the course of the study:

- i. There is no significant influence of gender on ownership of small-scale business.
- ii. Age does not significantly influence ownership of small-scale business.

## 4. Literature Review

### 4.1. Gender and ownership of small-scale business

People's attitude towards business is hardly the result of a single overriding factor, but rather, the outcome of a complex interplay of physical, psychological and socioeconomic as well as socio-demographic factors. The starting or growing of an enterprise is as much of a step-by-step process of physical and economic decision-making as it is a manifestation of a people's social and demographic predilections (Vânia, Alexandre and Newton, 2010). It is also worthy of note that although a small-scale business owner (entrepreneur) may differ from a self-employed person in some way, self-employment does provide relatively good representation for small-scale business (Faggio and Silva, 2014), and both concepts are therefore taken to be representative of each other in this study.

Gender is a social fabrication that is brought about and sustained through the interplay of social forces, including societal norms, social roles and sometimes, religion. Gender is society's expectation of you on grounds of your biological sex, and such socio-cultural expectation often changes in time and space (Udry, 1994). Although a study by Lima, Bruni and Amorim (2014) shows that there is no significant relationship between one's gender and ownership of small-scale business, another study by Vanderbrug (2013) shows that males are generally more prone to owning a business than females and women-owned entities make up about 37 percent of businesses, leaving about 63 percent for the men. Also, Clarkson (2015) posits that women run only about 30 percent of the businesses in United States of America. In Nigeria, women own about 48 percent of micro, small and medium enterprises (MSMEs) (National MSME Survey Report 2013).

There does seem to be some explanations for part of the trend of statistics on gender and ownership of small-scale business and at the heart of the matter may be gender propensity for taking risk. Owning a business is a high-risk behaviour and the statistic of failed businesses is so intimidating that it takes a lot of guts for someone to actually damn the consequences and stick out their neck. One must have a lot of confidence in their capabilities to even give it a try (Mollick, 2015). Mollick (2015) used the Greek term 'hubris' to describe this kind of guts, which according to him, most women do not have much of, while men seem to have a lot more. Although it is natural for people to feel discouraged when they experience some sort of failure, more women tend to feel too discouraged to ever want to try again. Women are also believed to often take failure personally; that is to say, when something goes wrong women tend to believe it went wrong due to their own fault. Yet, they would hardly believe it was entirely to their credit when things go right.

According to Chen and Crick (1998), women could completely turn their back against owning a business not because they do not possess the skills that are required to make a success out of business, but because they believe they do not have those skills. Seeming low self-efficacy in women is believed to be a reflection of their lower self-esteem relative to men. A woman's decision not to start a business that they would have loved to go into is often because they believe they do not have what it takes to succeed in business (Fielden and Makin, 2003; cited in Peng, Lu and Kang, 2012).

Looking beyond the issue of the female gender having lower belief in themselves than do males, a socio-cultural system that restricts females to the role of procreation and child care would have a male-dominated entrepreneurial landscape. Gender - based responsibilities and society's expectation of women plays a major role in the domination of males in entrepreneurship. It is believed in most societies that the woman's primary responsibility is to stay at home and take care of the children. The man, on the other hand is expected to leave their offspring with the woman while he goes about doing whatever it takes, including running a business, in order to raise income with which to provide for his household (Rubio-Banón and Esteban-Lloret 2016; cited in Rambe and Ndofirepi, 2017).

The man's primary responsibility therefore includes not only that of providing for the household, but also being the more adventurous spouse. Over time, the woman's psychic generally seems to be wired to unconsciously focus on nurturing the offspring within the confines of their home, while the man becomes more or less configured to be more daring, more go-getting and more risk - prone. Although these aspects of male-female configuration are socially constructed through the instrumentality of cultural norms and society's expectations, they have come to determine or contribute toward explaining the relatively small proportion of women that own small-scale businesses. A good deal of business activity tends to take place outside the home, while the female folk is mostly expected by society to be a home-maker; so, the woman seem to be mostly excluded from a good deal of entrepreneurship (Ridder, 2008). Of course, the concept of home-grown or home - based business tries to offer a bit of hope by suggesting that one could also own a business around where their home is located. But that also makes it clear that even in her quest to fulfil her entrepreneurial ambition the woman is not expected to venture far from her home, suggesting that the home and home – related issues are expected to be of overriding importance to the female.

Probably very few entrepreneurs are born; most are made through association, interaction and experience sharing. Entrepreneurship, the process through which a business is established and made successful is partly a learned behaviour (and partly a response to life's challenges and opportunities). Like any other learned behaviour, people get better in it with more hands-on experience and with time. Most women's social, vocational and, to some extent, general life experience is restricted to the home and their immediate surroundings, while men are able to explore life in many more varied ways and consequently gain more experience. Such exposure (or lack of it) and adventurous attitude (or otherwise) come to bear in the outlook of the two genders and their propensity for business start-up. In the final analysis, the odds seem mostly in favour of the male folk (Mollick, 2015; Ridder, 2008).

#### 4.2. Age and ownership of small-scale business

According to Stangler and Spulber (2013), it is safe to expect that age would have a telling effect on ownership of small-scale business. Aghajani and Abbasgholipour (2012) also describe age as the only biographical variable that has significant influence on people's attitude toward small-scale business. Lima, Bruni and Amorim (2014) also take a similar position; that the age variable offers major explanations to the variability of the entrepreneurial construct. Be that as it may, researchers hardly have a consensus on the nature and direction of the relationship between age and entrepreneurial proclivity. Are there more youth business owners than older business owners? If 'yes', is it because older folks are generally more risk-averse, or is it because of the seemingly higher opportunity cost of their actions in terms of the fewer number of years of their lives that the older folks can afford to expend experimenting with different businesses? On the other hand, are there fewer youths in entrepreneurship because most young people hardly have the requisite real life experience that running a successful business sometimes requires?

One is not considered mature enough to own (incorporate in their name) a business entity until they attain the age of 18 (this could differ among countries), when they are considered to have attained the age of accountability (Robertson, n.d.). Yet, there are, across the globe, people less than 18 years of age, who, even if it is not officially registered in their own name, still run innovative businesses. So what has age got to do with running a business? Some schools of thought believe that running a business (entrepreneurship) is highly demanding both physically and intellectually and as such the entrepreneurial journey is better started at a relatively young age, since older persons may find it a bit difficult to cope with various implications of the much physical exertion that running a business may require (Johnson, 2013). Besides, relatively younger folks are likely have fewer non-work commitments, which means they are more likely to approach the start-up with the high level of commitment that most businesses require, than most older folks would (Wolverson, 2013).

In a study undertaken by Kautonen (2008) among small-scale businesses in Finland, it was discovered that 16 percent of small businesses were established by persons who are over 50 years, while persons between 20 and 49

years established at least twice this number of small businesses (businesses owned by people aged 50 years and above were found to be slightly less than half of those owned by people aged 20 – 49 years). The study focused on start-ups (relatively newer businesses) by persons 50 years and above, rather than older owner-managers who probably established their firms much earlier in life. The results of the study showed that although entrepreneurial activity seems to decrease among people 50 years and over (when compared with people aged 20 - 49), seniors still own a significant proportion of businesses and they are often in business not out of the need for survival. This coupled with the fact that they often have a lot of experience counting for them makes their start-up businesses thrive relatively better. However, a report produced by United States’ Small Business Association on changing demographics of small business owners has it that the proportion of small-scale business owners above 50 years of age increased to almost 51 percent in 2012 up from 46 percent in 2007. On the other hand, the proportion of small-scale businessmen and women whose age falls between 35 and 49 years dropped from 39 percent to 33 percent within the same period (Spors, 2014).

Some other schools of thought are of the opinion that life experience plays a key role in determining one’s entrepreneurial lifestyle, and therefore because young people would hardly have gained a lot of experience, not so many of them are usually found in the world of entrepreneurship. On a general note, it is observed that relatively younger people tend to dominate in information technology and related enterprises, because having a lot of prior business experience is not so critical, while start-up costs are also not usually very high. Besides, younger persons tend to be more open to learning new technology and they also learn at a faster pace than relatively older folks. This, probably, partly explains why the likes of Facebook, Word press, Mashable, Box.net, etc. were started by persons that were under 25 years of age - as at the time the businesses commenced operations (Obeso, n.d).

It is generally believed that most entrepreneurs are about 40 years old when they establish their first venture (Deeb, 2015), while at the same time it is also believed that running a business involves a lot of risk and the older one gets, the lower their risk tolerance level, which means that younger people have the tendency to start more businesses. In the final analysis, all of these arguments seem to be logical only depending on how you look at things. It may be argued that although more wisdom and experience tend to come with age, people could come up with, and execute great business ideas at almost any time of their life, their chronological age not withstanding (Douglas, 2017). Nigeria’s business owners are said to mostly fall between the 24 – 50 years age bracket (National MSME Survey Report 2013).

## 5. Research methodology

The study used survey - inferential design and it adopted a cross – sectional approach. Survey - inferential design was used because it enabled the researchers to both describe the data collected and also make inference based on hypotheses tested. Also, a cross – sectional approach was used in the study since it focused on a cross section of the population being investigated. The chi-square statistical tool was used to test the hypotheses. The area of the study was Calabar Municipality, located in Cross River State, South-South Nigeria and having a geographical population of 183, 681 persons (National Population Commission, 2006).

## 6. Data analysis

Table 1: Gender and ownership of small-scale business.

Sex	Own Business	Do not own a business	Total	df	Chi-Square
Male	123(118.6)	94(98.4)	217	1	.815
Female	88(92.4)	81(76.6)	169		
Total	211	175	386		

df= 1, Critical  $X^2 = 3.841$

The independent variable is gender (male or female) while the dependent variable is ownership of small scale business. Chi-square statistical tool was used to test the hypothesis. The result of the analysis in table 1 shows that the calculated  $X^2$  value of 0.815 is less than the critical  $X^2$  value of 3.841 at 0.05 level of significance with 1 degree of freedom. By this result, the null hypothesis is accepted. This implies that there is no significant influence of gender on ownership of small-scale business. The finding is in agreement with Lima, Bruni and Amorim (2014) who also found that there is no significant relationship between one's gender and ownership of small-scale business

Table 2: Age and ownership of small-scale business.

Age	Own Business	Do not own a business	Total	df	Chi-Square
18-25	99(100)	84(83)	183	4	28.46
26-33	41(57.4)	64(47.6)	105		
34-41	29(26.2)	19(21.8)	48		
42-49	20(13.1)	4(10.9)	24		
50 years and above	22(14.2)	4(11.8)	26		
Total	211	175	386		

df= 4, Critical  $X^2$  =9.488

The null hypothesis stated that there is no significant influence of age on ownership of small scale business. The independent variable is age while the dependent variable is ownership of small scale. Chi-square statistical tool was used to test the hypothesis. The result of the analysis in table 2 reveals that the calculated  $X^2$  value is higher than the critical  $X^2$  value of 9.488 at 0.05 level of significance with 4 degree of freedom. By this result, the null hypothesis is rejected and the alternate upheld. This means that there is a significant influence of age on ownership of small scale business. This finding support the work of Aghajani and Abbasgholipour (2012) who also describe age as the only biographical variable that has significant influence on people's attitude toward small-scale business.

## 7. Conclusion and recommendations

The study revealed that gender does not significantly influence business ownership, despite the fact that most African women are believed to face a lot of gender bias - related challenges. This could mean that women would likely contribute to socioeconomic development if they were given a little more support. The study recommends that more start-up support be given to women to enable them further contribute more to society. Besides, entrepreneurship development programmes are mostly targeted at persons aged 18 - 45 years. The study however showed that the age of most business owners in the area of study extends to around 65 years as most of the younger age brackets are still in the process of acquiring education or vocational skill training. The study therefore recommends that the scope of entrepreneurship development programmes be expanded to include people who are up to 55 years of age.

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