

ROUTLEDGE REVIVALS

Women in Charge

**The Experiences of Female
Entrepreneurs**

**Robert Goffee and
Richard Scase**



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Women in Charge

Why do women start their own businesses? Is it solely because they are searching for financial success, or for other reasons? On the basis of detailed interviews with a number of women who have started their own businesses, this book, first published in 1985, reveals the significance of factors that are directly related to women's experiences at home, at work, and in the wider society.

The author's analysis shows how business start-up enables many women, but not all, to achieve forms of economic and social independence that they would not otherwise enjoy. Further, they illustrate ways in which business proprietorship has a wide variety of effects upon individuals, and upon their personal relationships and life styles. They refute the notion of a single entrepreneurial experience and argue that the causes and consequences of business start-up are highly conditioned by the extent to which women are committed to traditionally prescribed roles and to profitability.

The findings of this book will have important implications for the formulation of small business policies. It will also be of particular value to those interested in women's studies and small business management.

Preface

In this book we describe the experiences of a number of women who have started their own businesses. More specifically, we assess how far this has enabled them to be successful in a society in which there are widespread gender inequalities. This is the third of our books on business owners, the earlier of which discussed the experiences of men (Scase and Goffee, 1980a, 1982).

We are grateful to the Economic and Social Research Council and to the Nuffield Foundation for the funding of the research; to Mina Bowater and Maxine Pollock for helping us with many of the interviews; and to Barbara Holland, Vicky Marriott and Sue Steele for typing the various drafts of this book. But, above all, we are indebted to all those women who so willingly discussed their business and personal lives with us. This book is for them.

R.G.

R.S.

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PART ONE

The Emerging Trends

Women and Proprietorship in the 1980s

Over recent years the position of women in the economy has attracted considerable attention (Amsden, ed., 1980; West, ed., 1982; Joseph, 1983). In many ways this reflects their growing participation in the labour market and the success of the women's movement in focusing attention upon gender-related inequalities. But despite recent debates, many issues remain unexplored. The actual working experiences of women, for example, have not been systematically and thoroughly investigated although a number of studies have been recently undertaken (McNally, 1979; Pollert, 1981; Cavendish, 1982; Coyle, 1984). Discussions of women's subordination, moreover, have often been theoretically orientated and unsubstantiated by detailed empirical inquiry. At the same time, an emphasis upon working women as employees has led to the neglect of those who are employers and who run their own businesses. This book is intended to help redress this imbalance.

The neglect of women in studies of the workplace is well illustrated in the contents of many standard texts on industrial behaviour (Miller and Form, 1964; Burns, ed., 1969; Fox, 1971). In most cases, women are either totally excluded from consideration or they are assumed to behave in much the same way as men. The findings of industrial social research are almost entirely based upon the study of men within male-dominated industries and occupations and these have then provided the information upon which industrial studies have developed as academic and applied disciplines. Thus, it is investigations of men in industries such as coal mining (Dennis, Henriques and Slaughter, 1969), shipbuilding (Brown *et al.*, 1972), printing (Cannon, 1967) and car assembly (Goldthorpe *et al.*, 1968) which provide the 'hard data' for general theories about all workers' attitudes and behaviour. These observations, furthermore, have then often been related to

discussions of family relationships, leisure patterns and life-styles (Dennis, Henriques and Slaughter, 1969, Goldthorpe *et al.*, 1968). As a result, women – both inside and outside paid employment – appear as highly marginal figures. If women have been studied at work it has been either explicitly stated or implicitly assumed – certainly until quite recently – that their attitudes and behaviour differ little from men. Indeed, this view is evident from the very beginnings of industrial social research, the classic example of which is the much-quoted Hawthorne Investigation conducted in the United States during the 1930s (Roethlisberger and Dickson, 1939). In this study many of the work teams were women but the researchers gave little consideration to the possibility that employees' gender could affect their attitudes to work, social relationships and workplace behaviour. As Brown has suggested in his discussion of key themes within industrial sociology,

the body of research which attempts to explore the relationship between such factors as supervision, participation, informal social groups, and productivity, morale and acceptance of change, does not really consider, though it does report, the sex of the workers who were the subjects of the investigations as being any sort of limitation on the generality of the conclusions . . .

My argument . . . is not that men are so different that no generalisations, or accounts of genetic social processes in industrial situations, can possibly be true for both sexes; rather that the possible significance of the different social situations which men and women are in, by virtue of their gender, both within and outside the factory (and these can change), must always be considered in evaluating any research which it is argued has general implications. (1976, p. 26)

It is only recently that researchers, and particularly feminists, have begun to conduct studies of the experiences of women as these are shaped by male-dominated control structures within industrial organizations and, outside of work, by the general institutions and values of capitalism (Purcell, 1979; Herzog, 1980; Wajcman, 1983). These offer an empirical or factual corrective to the more abstract themes which have characterized many Marxist debates about the position of women in capitalist society. Women as employees, then, after much neglect are now attracting the attention of social researchers.

However, little is known of the experiences of women as employers and as owner-managers of business enterprises. While anthropologists have studied the position of women traders in non-industrialized countries (Caplan, ed., 1978) there has been an almost complete neglect of the contribution that women make to the formation and growth of businesses, particularly those of a small-scale, in the advanced capitalist societies (see Chapter 2). In view of the importance of small businesses as providers of employment, goods and services in the Western economies of the 1980s, this is a significant omission; particularly since women contribute to the process of business formation and growth in at least two major ways.

First, married women often provide a variety of hidden and unpaid services to their husbands' businesses during the crucial start-up period. As we have discussed elsewhere, without this largely unrecognized contribution many male-owned enterprises would not get off the ground (Scase and Goffee, 1980a, 1980b, 1982). Self-employed men, for instance, can be heavily dependent upon their wives' efforts for undertaking a wide range of clerical and administrative duties. Accordingly, these married women are often forced to give up their paid jobs and to abandon their careers in order to underwrite the efforts of their 'self-made' husbands. Economically, socially and psychologically, therefore, the wives of small businessmen are often subordinated to the needs of their husbands. Further, because these men devote such a high proportion of their time and energy to their businesses, their wives are often compelled to cope single-handedly with domestic chores, including those of child-rearing and household budgeting. This is often with limited financial resources since these, too, may be stretched by the start-up requirements of the business. Unfortunately, there is little detailed information about the specific dynamics involved in these processes. There are, for example, no systematic data on the nature of entrepreneurial families, the formation of conjugal roles, and the ways in which business formation and growth are shaped by negotiations between husbands and wives. There is even less information on the attitudes and behaviour of business owners' wives and the ways in which they respond to their unpaid work and domestic roles. The entrepreneurial family, then, may be considered to be of considerable

interest if only because, as a unit of economic production, it possesses features which are quite distinct from the 'normal' family which primarily functions as a unit of consumption.

There is, however, a second and more direct way in which women contribute to the formation and growth of small businesses; that is, by starting their own enterprises. But, again, little is known about the processes involved (Goffee and Scase, 1982b, 1983a, 1983c; Goffee, Scase and Pollack, 1982). Feminists, for instance, have shown little interest, if only because of a belief that business ownership sustains an economic system which maintains the subordination of women by men. Accordingly, there has been hardly any discussion of proprietorship as a possible avenue whereby women can overcome their subordination within the family, the workplace and in society as a whole. Generally, feminists argue that the personal benefits which can be derived from proprietorship do not improve the general conditions experienced by most women. Many argue that individual strategies of 'self-determination' through proprietorship are contrary to many of the central ideals of sisterhood and do not offer a realistic alternative to collective action (Novarra, 1980). Consequently, because of the widespread acceptance of this argument the socio-economic processes associated with female proprietorship have been neglected. How, for instance, do specifically gender-related experiences affect women who start their own businesses? This is an important question if only because the economic conditions of the 1980s may be leading to an increase in the number of women embarking upon proprietorial careers. If there are a number of factors contributing to this trend, there would seem to be three which are of particular importance: those of high unemployment, job dissatisfaction and the development of new technology.

With high levels of long-term unemployment in various 'female' sectors of the economy (Sinfield, 1981; West, ed., 1982), proprietorship is becoming an important means of employment for many women. Those who are economically marginalized because of the lack of opportunities for paid employment may have no option but to start their own businesses as a source of earnings (Goffee and Scase, 1983a). But even those who are gainfully employed may be increasingly attracted to entrepreneurship because of the experience of various forms of workplace depriva-

tion. Because of their concentration in lowly skilled and low-paid occupations, a considerable proportion of women have little opportunity for meaningful job satisfaction (Wainwright, 1978; Webb, 1982). Even the small minority of those who are engaged in more economically and psychologically rewarding managerial and professional occupations are likely to encounter gender-related prejudices which can heighten their levels of stress and limit their career prospects (Hennig and Jardim, 1979; Silverstone and Ward, eds, 1980; Cooper and Davidson, 1982). If, then, as various studies have shown, a dissatisfaction with paid employment can often encourage men to start their own businesses (MacKenzie, 1973; Bechhofer *et al.*, 1974b; Scase and Goffee, 1980a) the office and shopfloor experiences of women are likely to have similar effects (Goffee and Scase, 1982b). Finally, as recent experience in the United States suggests, the development of new micro-electronic technology of the sort that can be used in the home is offering new possibilities for the formation of small businesses among both men and women (see Chapter 2). With the relevant skills, many women are now able to trade at home as the self-employed providers of a wide range of administrative, financial and technical services.

In the 1980s, then, an increasing number of women are likely to start their own businesses (Boissevain, 1980; US Small Business Administration, 1982). Because many will have been in either full-time or part-time paid employment, they will have often acquired skills which are useful for business start-up. In the service sector, for example, where most women are employed, practical skills can be more important for starting a small business than access to financial resources (Goffee and Scase, 1982b, 1983b). A very large proportion of small firms in the service sector begin on a very limited scale, often utilizing domestic premises and the proprietors' own skills and the only finance required for such ventures is obtained from personal savings (Scase and Goffee, 1980a). Such a pattern of small business start-up has been encouraged by the growth of the 'informal' economy which during the economic recession of the past decade has provided a context within which women – as well as men – can, on a limited scale, 'experiment' with business proprietorship (Pahl, 1980). In Britain, the United States and in several other industrial countries,

there has been a tendency to substitute the 'informal', the 'household' and the 'cash' production of goods and services for those produced within the 'formal' economy (Gershuny, 1978). It seems reasonable to expect, therefore, that as unemployment among women continues to grow, many will increasingly search for ways of earning a means of living through these 'informal' and 'cash' patterns of trading. This, in turn, can provide a springboard for legitimate business start-up and the longer-term acquisition of entrepreneurial talents. In these ways, then, more and more women are likely to start their own businesses, even though they are likely to remain a very small minority of all women. Furthermore, it must be emphasized that a large number of self-employed women are only formally economically 'independent'; in reality they can be lowly paid and easily expendable 'out' or 'home' workers who provide subcontracting services for larger companies (Cragg and Dawson, 1981; Allen, 1983). Even so, there are a number of trends to suggest that women are more likely to start their own independent businesses now than in the past.

In this book we study the experiences of these women: the benefits they obtain and the difficulties they encounter. More particularly, we are interested in the extent to which women are able to overcome experiences of subordination through business proprietorship. On the basis of in-depth interviews with a number of women business owners, we investigate their motives and the consequent experiences of entrepreneurship. It seems reasonable to assume that although many women are similar to men in their expectations of the rewards to be derived from small business ownership, they will face distinctively gender-related problems. The next chapter describes the position of women in the labour market in general, in order to provide a context within which the incidence and pattern of female proprietorship may be more fully explored.

Women, the Economy and Avenues for Business Start-Up

One of the more striking features of the postwar British economy has been the increasing proportion of women in paid employment (Webb, 1982). Most, however, have been recruited into a limited range of occupations, and gender divisions within the labour market have been reinforced by their concentration in light industrial and service-sector jobs (Hakim, 1979). In this chapter, we discuss the factors which account for the increased employment of women and describe their distribution in the labour market. As we shall show, the pattern of self-employment and female proprietorship tends to reflect the character and spread of female employment within the economy as a whole.

Approximately 40 per cent of the labour force in Britain today are women. The postwar increase mainly reflects a considerable growth in the number of married women who go out to work. Whereas only one in ten were working in Britain in 1931, there were one in five by 1951 and one in two by the mid-1970s (Department of Employment, 1975a). A similar trend is evident in other countries. In the United States, for example, the proportion of married women in employment grew from less than 25 per cent in 1950 to 43 per cent by the late 1970s (Manpower Report, 1977). There seems to be at least four major factors which account for this trend. First, *structural* processes relating to changes in systems of large-scale production and administration have created routine and semi-skilled white-collar and manual occupations which have been filled to a large extent by women (Braverman, 1974). They have been increasingly employed to perform lesser-skilled clerical tasks and, as West points out, to 'assemble, pack or sell things – clothes, textiles, food, drink – "consumer goods" once provided within the home' (1982, p. 3). In addition, female wage labour is responsible for providing a variety of personal services

such as 'cleaning, washing, and teaching and health care too, for organisations rather than private individuals' (West, 1982, p. 3). In fact, it has even been argued that a major motive underlying the implementation of new technological processes within large-scale administrative and productive systems has been to destroy skilled jobs so that relatively expensive and highly trained male workers can be replaced by cheaper, semi-skilled female operatives (Beechey, 1982). Secondly, a number of *demographic* changes have enabled more women to take up full-time paid employment; they now marry earlier, live to an older age and have fewer children within a shorter and earlier period of their lives (Joseph, 1983). This has allowed a larger number of women to seek employment when family obligations have receded during early middle age. Thirdly, there has been a restructuring of *psychological* expectations which has led many women to search for work-related rather than marriage-based self-identities. A major factor accounting for this has been the growing extent to which women have acquired qualifications within higher educational institutions (Wilkin, 1982; Davidson and Cooper, 1983b). Thus, for many of these women careers at work rather than marriage are seen to offer a more important route for self-fulfilment. Finally, within the context of recession, the need to maintain living standards seems to be an important *economic* reason why many women seek paid employment. Again, as West points out, 'it is not simply that aspirations may have risen, but rather that it is the income of wives which keeps many families above the poverty line' (1982, p. 3). The importance of the earnings of married women for family living standards is particularly significant in the context of long-term high unemployment. A recent survey found that approximately one-half of all employed married women in Britain were working because they 'really need the money' (Dunnell, 1979, p. 31). Similarly, a survey of EEC countries suggested that a substantial proportion of married women employees were at work because of either 'necessity' or 'insufficient salary of the spouse' (Eurostat, 1981, table 91). Despite an increase in the number of women in paid employment, they remain concentrated in a limited range of industries and occupations. Further, 'even where women work alongside men, they usually hold positions of lower responsibility and perform tasks of a less skilled nature . . . men are the employers, managers,