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DIFFLEY, JUDY HIGH

A STUDY OF WOMEN BUSINESS OWNERS AND THE IMPORTANCE OF
SELECTED ENTREPRENEURIAL COMPETENCIES RELATED TO
EDUCATIONAL PROGRAMS

The University of Oklahoma

PH.D. 1982

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OF SELECTED ENTREPRENEURIAL COMPETENCIES
RELATED TO EDUCATIONAL PROGRAMS

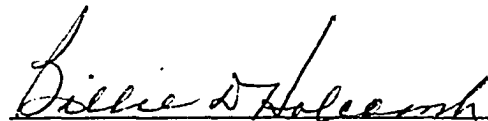
A DISSERTATION
SUBMITTED TO THE GRADUATE FACULTY
in partial fulfillment of the requirements for the
degree of
DOCTOR OF PHILOSOPHY

BY
JUDY HIGH DIFFLEY
Norman, Oklahoma

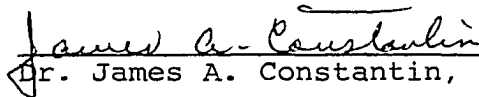
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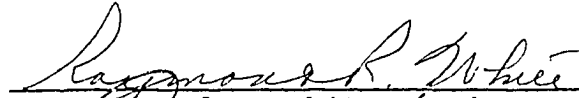
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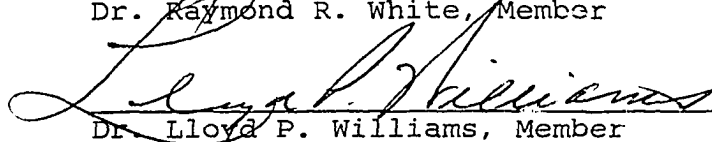
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A STUDY OF WOMEN BUSINESS OWNERS AND THE IMPORTANCE
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RELATED TO EDUCATIONAL PROGRAMS

CHAPTER I

THE PROBLEM

Introduction

"Business has been a major American contribution to civilization."¹ During the three centuries of our civilization's progress, one phenomenon has remained constant in the midst of growth and change: "men and women with spirit and the desire to do so have always been able to start their own businesses."²

To adequately designate the individual who organizes and directs the business enterprise, the French term, entrepreneur, has become the commonly used term. Ely states that the function of the entrepreneur is of utmost importance in our modern economic society. "He has been called a captain

¹Patterns for Success in Managing a Business, The Dun & Bradstreet, Inc. Business Library (New York: Thomas Y. Crowell Company, 1967), p. vii.

²Ibid.

of industry, for he commands the industrial forces. and upon him more than anyone else rests the responsibility for success or failure."¹

Pickle and Abrahamson concur with Ely by referring to the entrepreneur as a "keystone in the American free enterprise system."² Much of the success of the free enterprise system in the United States is attributed to the energies and innovations of entrepreneurs.³

In his inaugural address, President Reagan noted the significant function of the entrepreneur in "putting America back to work" with his following comments:

You meet heroes across a counter--and they're on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity.⁴

Thus, entrepreneurs are afforded the luxury of being termed "heroes." Upon these enterprising men and women, rests the responsibility of providing an important impetus for the successful functioning of the economy.

In particular, operations of small businesses make important contributions to the economy. The Small Business

¹J. W. Gough, The Rise of the Entrepreneur (New York: Schocken Books, Inc., 1969), p. 9.

²Hal B. Pickle and Royce L. Abrahamson, Small Business Management, 2d ed. (New York: John Wiley & Sons, Inc., 1981), pp. 4-5.

³Ibid.

⁴Ronald Reagan, "Inaugural Address," Vital Speeches of the Day 47 (15 February 1981):259.

Administration (SBA) defines a small business as "one which is independently owned and operated and not dominant in its field of operation."¹ To expand on the definition of small business, Schöllhammer and Kuriloff identify five sets of qualitative criteria as typical for small enterprises.

- Scope of operations: Small firms serve predominately a local or regional market rather than a national or international market.
- Scale of operations: Small firms tend to have a very limited share of a given market; they are relatively small in a given industry.
- Ownership: The equity of small firms is generally owned by one person or at most very few. Small firms tend to be managed directly by their owners.
- Independence: Small firms are independent in the sense that they are not part of a complex enterprise system such as a small division of a large enterprise. Independence also means that the firm's owner-managers have ultimate authority and effective control over the business, even though their freedom may be constrained by obligations to financial institutions.
- Management style: Small firms are generally managed in a personalized fashion. Managers of small firms tend to know all the employees personally; they participate in all aspects of managing the business and there is no general sharing of the decision-making process.²

The above criteria are descriptive of the business environment for the sample used in this study.

Over 98 percent, or 10.8 million, of the total non-farm businesses are reported as small by the SBA. Additional facts related to small business are listed as follows:

¹Pickle, Small Business Management, p. 10.

²Hans Schöllhammer and Arthur H. Kuriloff, Entrepreneurship and Small Business Management (New York: John Wiley & Sons, Inc., 1979), p. 179.

- The number of small businesses in the U.S. has increased annually in most of the last 30 years. . . .
- Business failures (bankruptcies and discontinuances for other reasons) increased by 14% in 1979, to 7,564 from 6,619 in 1978.
- Nearly 55% of failures (bankruptcies or closures with losses for creditors) among small businesses occur within their first 5 years of operation.
- 92% of all business failures are a direct result of poor management.
- Estimates for 1976 (the latest year available) indicate small business produces 39% of the Gross National Product (GNP). . . .
- Small business accounts for nearly \$7 of every \$10 in sales made by retailers and wholesalers (excludes farms).
- Small non-farm businesses account for nearly \$6 of every \$10 of receipts in the service industries. . . .
- 1/3 of all small non-farm businesses are in the service industries.
- Nearly 1/4 of all non-farm small businesses are in retail trade. . . .
- The small business sector of the economy creates more jobs than any other: Between 1969 and 1976, 16 million new jobs were created. One million of these jobs were created by the 1,000 largest corporations. Three million of the new jobs were in state and local governments. The remaining 12 million were created by small business.¹

Thus, as evidenced by these statistics, the small business entrepreneur performs an important role in influencing the success of the U.S. economy. However, with this important role the entrepreneur is faced with many risks, some of which result in business failure.

While recent literature indicates the importance to the economy of the small business owner, an abundance of this

¹U.S., Department of Commerce, Small Business Administration, Facts about Small Business and the U.S. Small Business Administration (Washington, D.C.: Government Printing Office, 1981), pp. 3-4.

literature focuses specifically on male entrepreneurs. For example, studies conducted by well known researchers such as Collins and Moore, Hornaday and Aboud, and Komives used all-male samples.¹ Glenn and Weaver refer to small businessmen as "one of the most economically successful segments of the American labor force . . ."² Studies such as the Glenn and Weaver article focusing exclusively on the male entrepreneur are prevalent. However, such a body of knowledge concentrated on female entrepreneurs is extremely limited. This fact points up the need for this study focusing on women business owners.

At the National Management Association Conference in 1979, Stead alluded to the fact that only recently has management research utilized females for their samples. Stead comments:

But even today, researchers using all-female samples are still turned down by reviewers who question the appropriateness of using such data. Since most of the published research uses all-male samples, apparently questioning data on the basis of sex did not occur to past reviewers. We need to build up a body of empirical research using all-female data to determine if there are any differences between male and

¹See Orvis F. Collins and David G. Moore, The Enterprising Man (East Lansing, Michigan: Bureau of Business and Economic Research, Graduate School of Business Administration, Michigan State University, 1964); John A. Hornaday and John Aboud, "Characteristics of Successful Entrepreneurs," Personnel Psychology 24 (Summer 1971):145; and John Louis Komives, "Some Characteristics of Selected Entrepreneurs" (Ph.D. thesis, Michigan State University, 1965).

²Norval D. Glenn and Charles U. Weaver, "Profile of the American Small Businessman," Texas Business Review (July-August 1979):129.

female work-related behavior that are based on the sex of the worker or manager.¹

Paralleling the slow emergence of the inclusion of female samples in management research is the use of female samples in entrepreneurial studies. Despite a lack of research focusing on businesses owned by women, females are entering the ranks of the self-employed at a rate almost triple that of men. Historically, women have been faced with numerous obstacles in setting up businesses. Barriers such as financing a business, lacking an adequate educational background and work experience, and juggling business interests with family and household responsibilities have been of concern to aspiring women entrepreneurs.² As statistical data indicate a rise in the rate of women choosing entrepreneurship, more attention is being focused on how to alleviate or at least minimize obstacles faced by these women.

The paucity of government statistics of women business owners has also hampered the assessment of female entrepreneurs. A survey of women business owners taken for the year 1972, the first report of its kind, was issued by the Bureau of the Census in 1976. The report noted that in 1972, 402,025 women-owned businesses represented 4.6 percent of all U.S.

¹Bette Ann Stead, "Women and Men in Management: Getting Along," Vital Speeches of the Day 47 (15 October 1979):11.

²"What a Woman Going into Business Needs to Know," Changing Times, February 1979, pp. 19-22.

firms. Selected services and retail trade businesses accounted for 71 percent of all women-owned firms. Receipts totaled \$8.1 billion for those businesses owned by women. This accounted for only 0.3 percent of all U.S. business receipts.¹

Statistics published in 1980 reported a 1977 Survey of Women-Owned Businesses. Basically the 1977 survey added annual payroll data and coverage of service industries not previously reported.² The 1977 study found that of the 701,957 women-owned firms, 75 percent were concentrated in selected services and retail trade.³ Compared to all U.S. firms, women-owned businesses accounted for only 7.1 percent.⁴ The 1977 data shows an increase in women-owned businesses but is not directly comparable with the 1972 data for the following two reasons:

1. The industrial coverage was expanded in 1977 to include industry groups 801, offices of physicians; 802, offices of dentists; 803, offices of osteopathic physicians; 804, offices of other health practitioners; 808, outpatient care facilities; major group 81, legal services; and industry group 899, services, not elsewhere classified.
2. Due to processing errors, partnerships and small corporations were significantly undercovered in 1972.⁵

¹U.S., Department of Commerce, Bureau of the Census, Women-Owned Businesses: 1972 (Washington, D.C.: Government Printing Office, 1976), p. 1.

²U.S., Department of Commerce, Bureau of the Census, Women-Owned Businesses: 1977 (Washington, D.C.: Government Printing Office, 1980), p. 3.

³Ibid., p. 7.

⁴Ibid., p. 8.

⁵Ibid., p. 5.

With the Carter administration came a focus on women business owners from the executive level of government. President Carter acknowledged the vital and increasing role of women business owners in the American economy as well as the obstacles facing entrepreneurs. Therefore, in 1977 the President established the Task Force on Women Business Owners. The Task Force received the following mandate:

1. Identify existing data on women entrepreneurs, assess their adequacy, identify needs for additional data and propose methods of collecting them;
2. Identify the primary practices or conditions:
 - (a) which discourage women from becoming entrepreneurs; or
 - (b) which have the effect of discriminating against women entrepreneurs or placing them at a competitive disadvantage;
3. Assess current federal programs and practices which have the effect of discriminating against women entrepreneurs or placing them at a competitive disadvantage;
4. Based on these assessments, propose changes in the federal law, regulations and practices for carrying out the commitment of the Administration, and advise as to the impact, if any, of such changes on the federal budget.¹

A year later in 1978 the Task Force study was completed. The Task Force reported that one of the greatest problems faced by women seeking self-employment is their lack of management and business skills. This problem was surpassed only by the need for capital. In answer to the survey question, "What information or assistance would be

¹U.S., Department of Commerce, The Bottom Line: Unequal Enterprise in America, Report of the President's Interagency Task Force on Women Business Owners, 2d printing (Washington, D.C.: Government Printing Office, 1978), p. 3.

most valuable to you at the point of starting a business?," the following were cited:

- Better administrative background, bookkeeping, business practice, manufacturing, and salesmanship;
- Market information and competition;
- Tax information; and
- General business counseling.¹

Thus, the need for training to accommodate these deficiencies was established.

As a result of the findings, the Task Force focused on an examination of existing federal programs offering intensive and long-term training. Investigation was made into programs having the potential for developing and/or delivering training resources. In addition, the Task Force reviewed technical assistance programs which provide short-term seminars or information.

One important finding of the Task Force was this: "While general education and job training programs abound in the federal government, there are few training programs in business and management skills."² However, the SBA has recently begun to search out and answer questions from women business owners by launching a National Women's Business Ownership Campaign.

Under this program a series of 400 one-day, pre-business workshops for women were held in SBA districts between September 1972 and June 1978. These

¹Ibid., p. 49. ²Ibid.

workshops, explaining the basics of business ownership and SBA services, were attended by over 30,000 women seeking information. In addition, more in-depth two-day regional seminars for female entrepreneurs took place between January and June 1978. These outreach efforts are continuing and appear to be in high demand.¹

A high demand for business conferences such as the SBA seminars is evident in the Midwest. More than 400 conferees attended the 1980 Women and Business Conference sponsored by the General Services Administration in the Greater Kansas City area.

Federal programs offering management training and assistance were evaluated as inadequate for filling the needs of women business owners. Whether the assistance should be provided by the government or the private sector in partnership with the government was not addressed in depth. However, the consensus of the Task Force was that more and better education that is practical, assessable, and affordable is needed.² Thus, educators are faced with the problem of providing education to meet the needs of potential and existing women entrepreneurs.

Statement of the Problem

Between 1971 and 1977 the number of self-employed women increased almost 25 percent, nearly three times the rate of self-employed men.³ However, the literature reveals that only recently have studies begun to delve into the

¹Ibid., p. 50.

²Ibid., p. 56.

³Ibid., p. 31.

special needs of women entrepreneurs. Often cited as a major cause of business failure is the lack of management skills; yet few opportunities to gain these skills have been available to men and women. The President's Task Force further stated:

There also are limited opportunities in either the public or private sectors for prospective entrepreneurs to get needed management training. While a great many such programs are supported by the federal government, they tend to be fragmented, uncoordinated, and hampered by budgetary restrictions. In almost every case, these programs are not an agency priority. In addition, there has been no evaluation of their effectiveness, and they do not specifically try to serve or reach women. Most important, women business owners are rarely knowledgeable about them because there is no clearinghouse of information.

The need for management skills is magnified by the shortage of technical assistance programs, such as seminars, counseling and information. Although the Small Business Administration (SBA) is increasing its focus on the problem, . . . in the areas of management training and technical assistance--areas where there is the greatest need and potential for government support--there are the least outreach and the fewest programs.¹

To increase the probability for success in business, women need proper business management training.

The problem of the study was to determine the selected entrepreneurial competencies most needed by women for successful business management of privately owned small businesses. A related problem was to ascertain the demand for educational programs in developing needed entrepreneurial competencies.

¹Ibid., p. 6.

Objectives of the Study

The primary objective of the study was to form a meaningful basis from which educational materials can be developed based on actual needs and desires of female entrepreneurs.

The specific questions considered were:

1. Are there differences between the service and retail industries in the importance of entrepreneurial competencies?
2. What entrepreneurial competencies are perceived as most important by women for success in business ownership?
3. What is the demand for educational programs emphasizing entrepreneurial competencies in service and retail industries?
4. What is the frequency of participation in past educational programs stressing entrepreneurial competencies?

Through an analysis of each entrepreneurial competency, insight was gained into the areas of emphasis for promoting success in business.

Entrepreneurship is recognized as an important outlet for an individual's growth and use of talents often not met through working for others. The study was designed to encourage and ease the infusion of women into business.

The study will help to unravel the mystique surrounding the female entrepreneur because of the past shortage of research on women business owners.

Need for the Study

From an initial review of the literature, it is evident that a major cause of small business failure is the lack

of management skills. Yet, opportunities are limited for prospective entrepreneurs to obtain management training. In particular, the training needs of potential and existing women business owners have not been adequately met.¹

To survive in today's volatile business economy, a comprehensive knowledge of management skills is necessary for women to successfully function in a changing technological society with high interest rates and inflation. Educational programs must be developed which stress those entrepreneurial competencies which are most needed by women for successful management of businesses. Curricular materials for entrepreneurial programs should be developed only after determining the needs of women business owners. The need for business educators to develop programs designed for training potential and existing women entrepreneurs makes evident the need for a study to identify the most important components of such a program.

This research study analyzed the judgments of self-employed women in small businesses to determine the importance of selected entrepreneurial competencies for success in business ownership.

Hypothesis to be Tested

Statistics indicating the high percentage of business failures due to poor management practices, support the

¹Ibid., p. 49.

need to educate potential and existing entrepreneurs. Through a review of entrepreneurial studies, specific competencies for business ownership were identified. However, past training programs have not been designed to teach the competencies most needed by women entrepreneurs. Thus, the opinions of those women who are presently self-employed are valuable in determining the importance of competencies for the woman entrepreneur's success.

Specifically, the null hypothesis tested as part of this study was:

There is no statistically significant difference between service businesses and retail businesses in the importance of entrepreneurial competencies.

In addition to testing the null hypothesis, statistical means were used to rank the competencies from most important to no importance in answering the following questions:

1. What are the differences between service and retail ratings concerning the importance of General Competencies?
2. What are the differences between service and retail ratings concerning the importance of Managerial Competencies?
3. What are the differences between service and retail ratings concerning the importance of Marketing and Sales Competencies?
4. What are the differences between service and retail ratings concerning the importance of Accounting and Financial Competencies?

Assumptions

An assumption for the study was that women will continue to choose business ownership as an alternative to working for others. A further assumption was that a sampling of women entrepreneurs in the service and retail industries would be representative of the views of female business owners throughout the state of Kansas.

The assumption was made that the selected entrepreneurial competencies used in the study are representative of the entrepreneurial competencies needed for success in business.

Limitations

The population comprising the sample for use in the study was limited to self-employed women in Kansas. The population was further narrowed by using owners only in the service and retail industrial areas. This limitation seemed reasonable as the 1977 Bureau of the Census survey of women-owned businesses reported that 75 percent of all firms were concentrated in selected services and retail trade.¹ Paralleling this finding, the study completed by the Task Force on Women Business Owners in 1977 found that 78 percent of their sample was clustered in service industries or selected services and in retail trade.² However, this should not imply

¹U.S., Women-Owned Businesses: 1977, p. 7.

²U.S., The Bottom Line, p. 31.

that these are the only industrial classifications in which women have the option for business ownership but should rather be considered a limitation necessitated by the design of the study.

Operational Definitions

Entrepreneur - A "person who starts a new business and stands to lose significant financial commitment or to gain substantial financial rewards based upon the success of the business."¹ In addition, this term includes "a person who purchases a small business and assumes financial risk, or one who enters into a franchise agreement where there is much latitude of operations and thus risks loss or gain from the effort."²

Woman-owned Business - "One which is at least 51 percent owned, controlled, and operated by a woman or women. 'Controlled' is defined as exercising the power to make policy decisions. 'Operated' is defined as actively involved in the day-to-day management."³

Competencies - "Attitudes, skills, understandings, or behaviors which are necessary for an individual to possess in order to attain the ability to successfully operate a small

¹Ralph M. Galdeke and Dennis H. Tootelian, Small Business Management (Santa Monica, California: Goodyear Publishing Company, Inc., 1980), p. 9.

²Ibid.

³U.S., The Bottom Line, p. 32.

business."¹ The selected entrepreneurial competencies used in this study were identified by educators and successful entrepreneurs in a 1980 doctoral dissertation.

Organization of the Study

The formal report of the study contains five chapters. Following the introduction presented in Chapter I is a review of the literature which is pertinent to understanding the educational needs of women entrepreneurs. Included in Chapter II are studies related to women in the work force, women entrepreneurs, characteristics of entrepreneurs, and education for the entrepreneur.

Chapter III describes the design of the study and the methods used in conducting the research. Chapter IV presents the collected data and reports the results of the statistical procedures which were used to analyze the data. Finally, in Chapter V a summary of the study is presented, conclusions are reached, and recommendations are suggested for the curriculum and for further research.

Summary

The important role of the small business entrepreneur to the successful functioning of the economy is evident. While literature abounds in research focusing on male

¹Elaine Bettencourt, "Competencies Validated for Entrepreneurial Training of Secondary Vocational Students" (Ed.D. dissertation, Rutgers State University, 1980), p. 11.

entrepreneurs, few studies exist on female entrepreneurs. The purpose of this chapter has been to establish a need for determining the importance of selected entrepreneurial competencies most needed by women for successful business management of small privately owned businesses.

Also set forth in this chapter is the hypothesis which was tested and the questions that were answered regarding the importance of the entrepreneurial competencies. In addition, the assumptions, limitations, and operational definitions for the study are presented. The organization of the study concludes the chapter.

A review of literature related to this study follows in Chapter II.

CHAPTER II

REVIEW OF RELATED LITERATURE

Introduction

A recognized method for economizing effort in solving research problems is "to review and build upon the work already done by others."¹ Hillestad writes that a review of the literature serves two purposes: "(1) to set the theoretical base for the research and (2) to set the current research into perspective to show 'the state of the art.'"² As noted in Chapter I, studies concerning women entrepreneurs are scarce; however, studies using predominately male entrepreneurs are more prevalent. Selected studies focusing on male entrepreneurs were included in the review to supplement and expand on the background of entrepreneurs in general. To complement the literature on women entrepreneurs, studies were reviewed

¹Claire Selltitz, Lawrence S. Wrightsman, and Stuart W. Cook, Research Methods in Social Relations, 3d ed. (New York: Holt, Rinehart and Winston, 1976), p. 92.

²Mildred Hillestad, "Writing the Research Report," in Guide to Research in Business Education (Reston, Va.: National Business Education Association, 1976), p. 80.

concerning women in the work force. In addition, the literature search included those studies regarding education for the entrepreneur.

As reported by the 1977 census data, women own only 7.1 percent of U.S. businesses and account for only 6.6 percent of the total receipts. Karmin and Orem contend that a contributing factor to the small number of women business owners is the fact that enterprising females have been ignored by historians.¹ Although the percentage of women entrepreneurs is small, the rate is increasing, and women need to know that they have a tradition for business success.

To gain inspiration for developing successful enterprises, women need to have role models. Entrepreneurs such as Olive Beech, owner of Beech Aircraft Corporation in Wichita, and Mary Hudson Vandegrift, owner of Hudson Oil Company in Kansas City and 1980 recipient of Babson College's Entrepreneurial Hall of Fame Award,² are visible examples of highly successful enterprising women in Kansas. Beech has a successful business with sales well over \$200 million. Vandegrift's oil company has expanded into 35 states with revenues exceeding

¹Lois Decker O'Neill, ed., The Women's Book of World Records & Achievements (Garden City, N. Y.: Anchor Press/Doubleday, 1979), p. 508.

²Philip J. Fox and Joseph R. Mancuso, 402 Things You Must Know Before Starting a New Business (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1980), p. 177.

\$175 million.¹ In comparison with the above two business receipts, the average receipts for women-owned businesses were reported at \$59,000 in the 1977 census. Thus, the focus for this study is on the woman entrepreneur in small business.

Women in the Work Force

The old adage, "a woman's place is in the home," hardly depicts the present-day woman of our society. Since 1950, the number of women in the labor force has more than doubled.² In 1979 about 43 million women were in the labor force, representing more than forty percent of all workers. Three-fifths of all women 18 to 64--the usual working ages--were workers in 1979, compared with 88 percent of men.³

For over a decade, national legislation mandating the elimination of sex discrimination in employment has existed. Yet, women's employment status has actually deteriorated. This is evidenced by the increase in wage differential in the last 20 years for men and women. Using 1977 figures, women working full time, year-round, had a median income of \$8,814--

¹The Women's Book of World Records, pp. 513-14.

²Shortchanged and Slighted: An Assessment of the Department of Labor's National Response to Women's Employment and Training Needs (Washington, D.C.: Women's Work Force, Wider Opportunities for Women, Inc., 1979), p. 3.

³U.S., Department of Labor, Office of the Secretary, Women's Bureau, 20 Facts on Women Workers (Washington, D.C.: Government Printing Office, 1980), p. 1.

only 59 percent of men's median income of \$15,070.¹ Fifty-five percent of all women workers over age 14 earned less than \$5,000 per year, whereas only 27 percent of comparable men had incomes under \$5,000 per year. At the higher end of the pay scale, only 8 percent of the women, as opposed to 42 percent of the men, had incomes over \$12,000.²

Paralleling this wage differential is the concentration of approximately 80 percent of all women workers in low-skilled, low-paying jobs: 34 percent in clerical positions, 21 percent in service positions, 16 percent in professional and technical positions (mostly school teachers and nurses), and 11 percent in operative positions.³ The female labor force includes 98 percent of all secretaries, 94 percent of all typists, 78 percent of all clerical workers, 95 percent of all private household workers, 64 percent of all service workers, but less than 10 percent of all skilled workers.⁴ In the past women have tended to seek or be tracked into "traditional" female jobs. However, a small proportion of women have made inroads into the world of "traditional" male work, with its higher pay and greater upward mobility.

The '70's have been termed the "decade of women's breakthrough into corporate management."⁵ Women managers are

¹Shortchanged and Slighted, pp. 3-4.

²Ibid., p. 3. ³Ibid., p. 4. ⁴Ibid.

⁵"Women Rise As Entrepreneurs," Business Week, 25 February 1980, p. 85.

few when compared to their male counterparts; however, the number of women advancing into challenging managerial occupations is increasing. Female managers increased from 1.3 million in 1969 to 2.6 million in 1979; yet with this increase, women held only one-fourth of all managerial jobs.¹

The wage differential for women and men managers is greater than the overall differential of men and women's incomes. Managerial women earned only 55 percent of the amount earned by men managers. In 1977 full-time women managers had a median wage or salary income of only \$10,203 compared with \$18,704 for men. Of managers earning \$25,000 and over, less than 4 percent were women.² Highlights concerning women managers are:

Stereotypical attitudes concerning women's employment in certain occupations have served as barriers to the full utilization of women in management and other nontraditional occupations. . . .

Although women accounted for about 25 percent of all managers in 1979, they were in a wide variety of occupations and industries.

Women managers are dominantly in the less well paying slots. Most office managers (63 percent) are women while few women are nonretail sales managers (9 percent). . . .

Equal Employment Opportunity Commission (EEOC) data suggest that women's share of managerial jobs in the firms that the agency surveys is less than their share of the total work force of all managers and officials that reported to the EEOC in 1978 but were 40 percent of all persons employed in those companies. Other data

¹U.S., Department of Labor, Office of the Secretary, Women's Bureau, Women in Management (Washington, D.C.: Government Printing Office, 1980), p. 1.

²Ibid., p. 7.

reveal that very few women have reached top management levels in the major companies, that is, such positions as president, vice president, chairperson, and chief executive officer where the annual salaries are \$100,000 and over.¹

Hennig and Jardim recognize the problem of advancement in management facing women managers. The authors contend that women must believe in themselves and must be as competent as their male counterparts in order to take advantage of equal opportunity. Hennig and Jardim comment:

In-depth competence in their chosen field has traditionally been one of women's outstanding strengths, almost an employment characteristic, but competence as a manager requires understanding and skill at working in and with the informal system of relationships in which management jobs are embedded. Such competence represents a stage which most women in organizations have not yet reached, and the guarantee of equal opportunity is empty unless opportunities are created for women to acquire the knowledge and skill which will make it possible for them to understand, to enter and to compete within the informal systems of middle management. Real integration will take place when the outsider group feels strong enough and competent enough to choose to integrate--and when the system which receives them is as aware as they.²

As aspiring women managers reach stalemates in their managerial positions, more and more women are exploring the possibilities of self-employment.

Women Entrepreneurs

Just as the '70's were termed the "decade of women's breakthrough into corporate management," the early trend of

¹Ibid., pp. 1-2.

²Margaret Hennig and Anne Jardim, The Managerial Woman (New York: Pocket Books, 1977), pp. 14-15.

the '80's suggests this could well be the "decade of the woman entrepreneur."¹ Charlotte Taylor, a Washington management consultant who headed President Carter's Interagency Task Force on Women Business Owners, supports this trend. Taylor perceives a whole generation of women reaching plateaus within corporations where they are unable to reach their aspirations. The alternative Taylor notes is to "strike out on their own."² With the increase of women interested in becoming self-employed, recent attention has been focused on the need for research relating to women business owners.

Research Studies

Recognizing the lack of information on women entrepreneurs, Schreier conducted a pilot study of 14 women business owners in the Milwaukee area in 1975. The survey group, personally interviewed, were involved in professional consulting, real estate, food processing, clothing, craft shops, decorating, and clothing manufacture. One important finding relating to education was that "the women who have started their own businesses recognize the importance of training for their business activities and often wish they had been better prepared before they had started."³ Schreier concluded that

¹"Women Rise As Entrepreneurs," p. 85.

²Ibid., p. 86.

³James W. Schreier, The Female Entrepreneur (Milwaukee: The Center for Venture Management, 1975), p. 8.

"women differ very slightly from men on the personal characteristics and background which seem to relate to successful entrepreneurial activity."¹

In 1976 Schwartz surveyed 20 female entrepreneurs representing a variety of businesses but with a majority of the businesses clustered in the "services" category. Schwartz comments:

The goal of the study was to develop a better understanding of female entrepreneurs--the kind of women as compared to the kind of men, who become entrepreneurs--and what they go through to build and maintain a new business. This understanding can help determine the special education and training needs of self-employed women and of those who want to become self-employed. As a result, educational programs to provide needed skills to existing and potential female entrepreneurs can be planned better.²

The Schwartz study identified a lack of business training and knowledge as one of the major barriers experienced most frequently by new female entrepreneurs.³

In 1977 Schell and Weiman were contacted by the SBA and asked to assist in conducting a seminar on women as business owners at the University of Evansville. In preparation for the seminar, Schell and Weiman researched existing barriers confronting women entrepreneurs in an effort to assess what continuing educational programs and SBA counseling

¹Ibid., p. 14.

²Eleanor Brantley Schwartz, "Entrepreneurship: A New Female Frontier," Journal of Contemporary Business 5 (Winter 1976):51.

³Ibid., p. 62.

services women entrepreneurs need. Their major suggestions for SBI Directors who counsel women business owners are:

A male SBI Director in dealing with women entrepreneurs might well find himself acting in the role of a mentor as well as a counselor. Although stress still needs to be placed on the skills and knowledge aspects of running a business, the sensitive director will recognize the importance of helping provide emotional support in enhancing the women's self-image. Winning confidence may well be more difficult than when dealing with the male entrepreneur.

In helping the woman entrepreneur develop her entrepreneurial skills, it is suggested that the director work closely with the woman's education program on the campus. We believe that an effective woman's education program would act as a 'vestibule' in small business management. Emphasis would be on re-entry matters such as consciousness raising (awareness of myth, providing role models, allowing interaction with other transition women), assertiveness training, interpersonal communication techniques, desensitization to math fears, and assessment of necessary attributes for entrepreneurship. Very basic introduction to business requirements would also be appropriate.¹

Again, as in the previously cited studies, the value of education in basic skills and knowledge for the woman entrepreneur is noted.

Also in 1977, Demarest completed an exploratory study of 51 women business owners in Boulder, Colorado. The primary source of data was collected through open-ended interviews with the women. In addition two questionnaires, Spence and Helmreich's short version of the attitudes toward Women Scale and Levenson's Multidimensional Locus of Control

¹Douglas W. Schell and Elaine R. Weiman, "The Woman Entrepreneur: Some Implications for the Small Business Institute Director," personal copy from the University of Evansville, 1977, pp. 189-196.

Scale, were used. The major areas of exploration were the following:

1. Background characteristics of the women,
2. Their routes into independent business or practice,
3. The initiation and modes of operation of their enterprises,
4. Their perceptions, attitudes, and modes of accommodation as women achieving in a male-dominated world,
5. The integration of their enterprises with family and personal lives,
6. The meaning and experience of "being their own bosses," and
7. Issues particular to their achievement as women.¹

The Demarest dissertation made a major contribution as an exploratory study in understanding what kind of women, as compared with male entrepreneurs, choose to pursue self-employment. However, a major limitation of the study was the small sample size from one city.

In 1978 DeCarlo and Lyons surveyed 32 randomly selected female entrepreneurs chosen from business and manufacturing firm directories of Delaware, Maryland, Virginia, and West Virginia, and from directories of women business owners. The women participants met the imposed criterion of "successful entrepreneur" by "having been the head of an operating business for at least five years, and as having at least eight

¹Janice Lyski Demarest, "Women Minding Their Own Businesses: A Pilot Study of Independent Business and Professional Women and Their Enterprises" (Ph.D. dissertation, University of Colorado at Boulder, 1977), pp. iii-iv.

employees."¹ In order to compare male and female entrepreneurs' personal characteristics, the DeCarlo-Lyons study used the same basic design of earlier research conducted by Hornaday and Aboud. The conclusion reached by DeCarlo and Lyons was that "the differences regarding the personality characteristics assessed by the Survey of Interpersonal Values and the Edwards Personality Preference Schedule were small, indeed."²

A later study by DeCarlo and Lyons compared selected personal characteristics of 45 minority and 77 non-minority female entrepreneurs in several Mid-Atlantic states. The research concluded the following:

The non-minority females placed a higher value on the scales of Achievement, Support, Recognition, and Independence than did the minority females. On the other hand, the minority females placed a higher value on Conformity and Benevolence than did the non-minority females. . . .

The results suggest that, given the limitations of the objective measures used, entrepreneurs can be identified using relatively simple, objective tests; those that can be self-administered.³

Humphreys and McClung, in an effort to broaden the profile of the woman entrepreneur, conducted a mail survey of women business owners in Oklahoma in the summer of 1980. Their

¹James F. DeCarlo and Paul R. Lyons, "The Successful Female Entrepreneur: Psychological Attributes," Proceedings of the Eastern Academy of Management (10-12 May 1979), p. 64.

²Ibid., p. 67.

³James F. DeCarlo and Paul R. Lyons, "A Comparison of Selected Personal Characteristics of Minority and Non-Minority Female Entrepreneurs," Journal of Small Business Management 17 (October 1979):28-29.

findings are based on the responses of 86 women from a sample of 176. In comparing men and women entrepreneurs, the Oklahoma study reported that the most dramatic difference between the two groups was in the level of formal schooling.

Humphreys and McClung comment:

On the average, women entrepreneurs are very highly educated while male entrepreneurs are very poorly educated. Perhaps, because of the unique social, cultural and legal problems faced by women today, women tend to feel that they cannot compete as entrepreneurs unless they have the extra edge that higher levels of formal schooling can provide.¹

The study indicates that the woman entrepreneur of today recognizes the value of education for business ownership.

In 1980 Taylor's Women and the Business Game was published. The study was based on Taylor's experience with women while she was serving as executive director of the President's Task Force on Women Business Owners. Taylor comments about women entrepreneurs:

In general, women enter the entrepreneurial game with a handicap. We have been raised outside the mainstream of business and finance and have been steered away from the entrepreneurial playing arena. Our traditional position in society has kept us both off the playing field and out of the spectator stands. We have been too busy being daughters, wives, and mothers to view owning our own businesses as a viable career option. We have been inhibited and sometimes prohibited from taking courses and jobs that would have taught us the skills and enabled us to amass the money and the management track record that are the equipment of an entrepreneurial player.

¹Marie Adele Humphreys and Jacquetta McClung, "Women Entrepreneurs in Oklahoma," Review of Regional Economics and Business, The University of Oklahoma, 6 (October 1981):19.

. . . Women can be among the great entrepreneurs of this country. We have the courage, the persistence, and the ability. The only thing that has kept us from achieving this role in the past is the fact that we never learned (and were never taught) the rules of the game. As a result, we have been afraid to try to get in the game, or we have played badly when we do play.¹

Taylor identifies the five components necessary to play the entrepreneurial game as follows: the motivation to play, a winning business concept, an entrepreneurial team, money to equip and pay this team, and the markets to support the business.² Taylor's book offers many helpful insights into how women should play the entrepreneurial game.

In gathering information for her 1980 book, Winter interviewed 150 women throughout North America and the United Kingdom. In addition, she researched 50 women featured in the media. Among the many guidelines discussed in her book, Winter emphasizes the importance of "a touch of class" for success in entrepreneurial activity. Winter comments:

A touch of class is the catalyst of entrepreneurial chemistry--a special flair that gets your enterprise noticed and keeps people intrigued. A touch of class means developing a distinctive image, then backing it up with research, organization, and professionalism.³

¹Charlotte Taylor, Women and the Business Game: Strategies for Successful Ownership (New York: Cornerstone Library, 1980), pp. 16-17.

²Ibid., p. 51.

³Maridee Allen Winter, Mind Your Own Business, Be Your Own Boss (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1980), p. 165.

Winter lists ten principles to help achieve "a touch of class."

1. Always follow through on a project or contract, even if you have to stay up all night.
2. Know your areas of weakness: seek information and advice through business publications and counselling; hire others strong in areas where you lack expertise.
3. At least once every six months, take a long critical look at your records and modes of operation; then act on your knowledge and improve your business.
4. Make time to learn about new developments in your field or type of business--skim periodicals and attend meetings and conferences.
5. Learn the names, preferences, and needs of your customers or clients. Call them up if you learn of a development that could help them.
6. When you tender estimates, research all details thoroughly, then stick by your estimate.
7. Never promise what you can't deliver.
8. Get to know other independent business owners in your locale; initiate cooperative efforts, such as shared advertising or extending a helping hand to a business suffering a disaster.
9. Contribute to your community: participate in at least one community improvement project or charity.
10. Help make the woman business owner a visible role model--give a brief talk or demonstration each year at a school or community center.¹

The fourth principle involving keeping current through educational activities supports one of the purposes for conducting this research on women business owners.

Government Data

The most current government statistics on women-owned businesses are based on a 1977 survey. The following are facts based on those findings:

¹Ibid., pp. 182-3.

- Women own 702,000 businesses. . . .
- Gross annual receipts for women-owned businesses were \$41.5 billion. This represented 6.6% of all U.S. business receipts, excluding those of large corporations.
- Nearly all women-owned businesses are small businesses.
- 75.8% of women-owned businesses are sole proprietorships. They accounted for 22.8%, or \$9.5 billion of the gross annual receipts generated by women-owned businesses.
- 23.9% of women-owned businesses have employees.
- 70.4% of the women-owned businesses that do have employees have fewer than 5 employees.
- Average gross annual receipts for women-owned businesses without employees were \$11,800. Average gross annual receipts for women-owned businesses with employees were \$209,000.
- 8.4% of women-owned businesses were corporations which accounted for 46%, or \$19 billion of all gross annual receipts generated by women-owned businesses.
- 15.9% of women-owned businesses were partnerships which accounted for 31.2%, or \$13 billion, of all gross annual receipts generated by women-owned businesses.
- 75% of all women-owned businesses were in the services and retail trade industries. These firms accounted for 74% of the gross annual receipts generated by women-owned businesses.¹

The Small Business Administration (SBA) provides both management counseling and business loans to women entrepreneurs. The latest figures for SBA assistance to women is for the fiscal year 1979.

- 61,109 women received SBA Management Assistance counseling, an increase over the 55,856 women counseled in FY 1978. In FY 1977, 19,806 women received this counseling.

¹U.S., Facts about Small Business, pp. 5-6.

- 130,026 women attended SBA-sponsored Management Assistance training conferences, seminars, and workshops, an increase from 122,109 in FY 1978.
- 4,817 business loans for \$381 million were approved for women-owned businesses, a decrease from 5,699 loans for \$444 million in FY 1978. In FY 1977, 4,665 loans for \$325 million were approved for women-owned businesses. . . .
- Women in business received 16% of all SBA business loans approved and 11% of the business loan dollars. In FY 1978, women received 18% of the number of loans and 13% of the dollars.
- The average women's business enterprise loan is \$79,046.¹

As noted by the rising figures, the number of women seeking management assistance and attending SBA educational activities is increasing.

Recognizing the increasing role of women in the American economy coupled with the fact that the "number and size of women-owned businesses remain remarkably small,"² President Carter established the Task Force on Women Business Owners in November 1977. The Task Force was concerned with the woman who is starting or expanding a small business and the obstacles she encounters because of her sex. The Task Force report on women entrepreneurs was developed through the efforts of eight government agencies. Obstacles facing women business owners were identified from a literature review, research, meetings with business owners and congressional and government

¹Ibid., p. 20.

²U.S., The Bottom Line, p. 3.

personnel, and position papers from professional women's organizations.¹

During January 1978, the Task Force conducted a mail survey to provide new information on women business owners and their problems. Response to the survey indicated that women start businesses for the same reasons that motivate men. In addition, the findings indicated that the respondents:

- Started or bought their businesses, rather than inherited them.
- Had worked between 10 and 20 years prior to starting, although not necessarily in management positions.
- Were married.
- Had a parental role model as a business owner.
- Had started their businesses in the last 10 years.²

The findings of the Task Force inquiry substantiated that women are "classic" entrepreneurs.

To supplement the data gathered in the Task Force study, the American Management Association (AMA) agreed to conduct a survey for the Task Force to aid in developing a profile of the woman business owner. Working with a smaller sample--264 women business owners--the AMA findings paralleled and supported the results of the Task Force survey. In addition to the mail survey, the AMA study included direct interviews with 40 of the respondents to produce "a vivid picture of the problems faced by women going into business for themselves."³ The AMA research indicated that the successful woman entrepreneur:

¹Ibid., p. 195.

²Ibid., p. 34.

³Ibid., p. 35.

- Came from a close supportive family.
 - Was married to a supportive husband who was either a business owner or professional.
 - Exhibited a strong entrepreneurial drive early in life, often during the elementary and high school years.
 - Tended to be highly educated.
 - Exhibited an inordinate capacity for hard work and dedication to her enterprise.
 - Was well informed concerning her business field.
 - Was persistent in her approach to work-related tasks.
- and perhaps most important:
- Had an uncanny ability to redirect negative situations and attitudes to her advantage, much as a judo expert might apply the art of self-defense to the business environment.¹

It is interesting to note that the AMA study did not specifically define "success." The participants of the survey were women known to be operating their businesses when the data was collected.²

In reviewing the findings of both the Task Force and the AMA surveys, the following summary and conclusions were stated:

Although the Task Force was able to glean some information about women business owners from its two studies, there is currently little reliable data on which to estimate realistically the size or characteristics of business ownership by women in America. The existing statistical data are out of date, and do not capture the entire universe of women business owners. The data also do not capture all the characteristics of the owners and their firms. Yet, such data are necessary not only to measure the number of female entrepreneurs in America but also to design and monitor future programs.³

¹Ibid. ²Ibid., p. 209. ³Ibid., p. 37.

The need for additional research on women business owners is clearly evidenced by the research findings of the Task Force.

To supplement the data from the 1977 economic census contained in the Women-Owned Businesses report, a special mail sample survey was conducted to collect information about the characteristics of women-owned businesses and their owners. The data published in the report, Selected Characteristics of Women-Owned Businesses 1977, was a combination of the special mail survey results and the 1977 economic census data. A sample of approximately 25,000 firms yielding close to a 66 percent response rate was the basis for the study.¹

Highlights of the summary of findings from the special mail survey follow:

- In 1977, most women-owned businesses were small, first-time endeavors in service or retail trade industries.
- The median net income for women-owned businesses was \$6,481. . . .
- More than 60 percent of the women-owned businesses were financed from the owner's savings; over 80 percent were started with no capital or less than \$10,000. . . .
- Forty-seven percent of the businesses were located at the owner's residence. . . .
- The median age of the owners was 52 years. . . .
- Over 90 percent of the owners were white and non-Hispanic.
- Almost 75 percent of the women owners had some schooling beyond high school. . . .
- Seventy percent of the owners were the original founders of their businesses.²

¹U.S., Department of Commerce, Bureau of the Census, Selected Characteristics of Women-Owned Businesses 1977 (Washington, D.C.: Government Printing Office, 1980), pp. 1-3.

²Ibid., p. 5.

The special mail survey apparently sought factual data without attempting to learn the personal or professional characteristics of the respondents.

In order to gain more insight into the characteristics of entrepreneurs, studies involving predominately male samples were reviewed to supplement the limited data available on women business owners. As noted by previously stated statistics, women comprise a small percentage of business owners in the American economy. As a result, most of the entrepreneurial studies of the past have dealt with male entrepreneurs exclusively.

Characteristics of Entrepreneurs

For success in business the literature reveals a consensus of opinion that some combination of experience, training, and personal characteristics is most desirable for successful entrepreneurship. One of the most definitive studies attempting to describe the entrepreneur was undertaken by Collins and Moore between 1960 and 1962 funded by the Small Business Administration.¹ The authors selected a sample of 110 firms comprised solely of Michigan manufacturing enterprises established between 1945 and 1958. The data collected

¹Orvis F. Collins and David G. Moore, The Enterprising Man (East Lansing, Michigan: Bureau of Business and Economic Research, Graduate School of Business Administration, Michigan State University, 1964), p. 29.

resulted from 150 in-depth interviews supplemented by Thematic Apperception Tests of 40 selected entrepreneurs.¹

The entrepreneurs in the Collins and Moore study were characterized in part by the following:

- Closely approximated the Horatio Alger myth.
- Showed traits of leadership and responsibility.
- Experienced periods of unrelenting storm and stress during childhood.
- Exhibited a personality of unwillingness to "submit" to authority, and inability to work with it, and a consequent need to escape from it.
- Had a desire for independence and career achievement.
- Started a business as a result of a shattering of a previous life pattern.
- Had difficulty throughout their lives in playing the role of employee and of subordinate.
- Exhibited creativity in moments of crisis.
- Demonstrated qualities of 'guts' and 'drive.'
- Succeeded by being energetic and experienced.²

In addition to the above characterizations, only 20 percent of the respondents were college graduates. The parental role model was strong as 25 percent indicated that their fathers were entrepreneurs.³ Collins and Moore summarize "the enterprising man" as follows:

What we have learned is that the way of the entrepreneur is a long, lonely and difficult road. The men who follow it are by necessity a special breed. They are a breed who cannot do well in the established and clearly defined routes available to the rest of us. The road they can follow is one that is lined with difficulties, which most of us could not even begin to overcome. As a group they do not have the qualities of patience, understanding, and charity many of us may admire and wish for in our fellows. This is understandable. In the long and trying way of the entrepreneur such qualities may come to be so much excess

¹Ibid., pp. 19-31.

²Ibid., pp. 38-164.

³Ibid., p. 238.

baggage. What is necessary to the man who travels this way is great imagination, fortitude, and hardness of purpose.¹

In his book, The Achieving Society, McClelland emphasizes the "need for Achievement" (n Achievement) as characterizing the entrepreneur. McClelland defines n Achievement as "The desire to do something better, faster, more efficiently, with less effort."² McClelland further associates subjects with high n Achievement with situations involving only moderate risks thus allowing the entrepreneurs some chance of influencing the outcome through their own skills or abilities.³ An interesting finding reported by McClelland is that people exhibiting high n Achievement are interested in achievement and are not influenced much by monetary rewards.⁴

In a 1969 study concerning characteristics of successful entrepreneurs, Hornaday and Aboud began with a sample of 34 white males, 22 black males, 2 white females, and 2 black females. After an initial inspection of the data, Hornaday and Aboud stated:

Inspection of the data indicated differences between the female and the male entrepreneurs, and it could not be established that the sexes could be reasonably combined, therefore, only the male entrepreneurs were used in subsequent analyses.⁵

¹Ibid., p. 244.

²David C. McClelland, The Achieving Society (New York: Irvington Publishers, Inc., Division of Halsted Press, 1976), p. A.

³Ibid., p. 214. ⁴Ibid., p. 235.

⁵Hornaday and Aboud, "Successful Entrepreneurs." p. 145.

The findings of the Hornaday and Aboud study pointed out the following:

Both races rate themselves significantly above average on need for achievement, self-reliance, competitiveness, initiative, confidence, versatility, perseverance, resilience, innovation, and physical health. . . .

The blacks mentioned most often the need to have 'Knowledge of the Business.' Also frequently mentioned was either skill in management of finances or a source of financial advice. Frequently mentioned, but not as often as Knowledge of Business, was: honesty, having a good character, possession of inner drive, willingness to work hard, and pleasing personality. . . . The characteristics most frequently mentioned by white entrepreneurs: willingness to work hard, perseverance, single-mindedness of purpose, and the ability to work with people.¹

The Hornaday and Aboud study made a significant contribution to identifying characteristics of successful entrepreneurs; however, the question arises as to why the researchers did not explore the differences of the female responses in the initial results by adding more females to their sample rather than deleting females from their study altogether.

Shapero has done considerable research to learn why some people become entrepreneurs while others with the same background do not. Most entrepreneurs, according to Shapero, are "D.P.'s, displaced persons who have been dislodged from some nice, familiar niche, and tilted off course."²

¹Ibid., p. 152.

²Albert Shapero, "The Displaced, Uncomfortable Entrepreneur," Psychology Today 9 (November 1975):83.

Displacement can result from either a positive or negative force, with the negative being the stronger force of the two. In one study involving 109 business owners who had formed companies in Austin, Texas, Shapero found that in 65 percent of the cases, the influence on the entrepreneur to go into business was negative.¹ Shapero notes that examples of negative forces were: being fired, being transferred, and bringing in someone else for a promotion. Only 28 percent of the respondents cited positive influences--encouraged by friends and associates, and by potential customers and backers.²

The Shapero study concurs with the earlier findings of Collins and Moore. Both studies characterize the entrepreneur as one who typically experiences a shattering of a previous life pattern prior to starting a business.

In working with nearly 1,200 entrepreneurs over a 12-year period, Timmons acknowledges that no one entrepreneur possesses all the desirable qualities needed for success in business.³ However, Timmons believes that successful entrepreneurs recognize their own shortcomings and accentuate their strengths. According to Timmons, the most successful entrepreneurs possess the following characteristics:

¹Ibid., p. 84. ²Ibid.

³Jeffrey A. Timmons, "Careful Self-analysis and Team Assessment Can Aid Entrepreneurs," Harvard Business Review 57 (Nov./Dec. 1979):198.

- A high level of drive and energy
- The self-confidence to take carefully calculated, moderate risks
- A conception that money is a way of keeping score and a tool for growth
- Unusual skill in motivating and eliciting productive collaboration from other people
- High but realistic and achievable goals
- The belief that they can control their own destinies
- The ability to learn from their own failures
- A long-term vision of the future of the enterprise
- Intense competition with self-imposed standards.¹

The observations of Timmons are supportive of the findings of Collins and Moore and McClelland.

Mancuso both concurs and disagrees with earlier findings concerning the entrepreneur and presents the results in a questionnaire form. In summary, Mancuso describes the entrepreneur most commonly as:

1. Being the oldest in the family.
2. Being married.
3. Being a man.
4. Being in his thirties (30-35 years).
5. Having entrepreneurial tendency as early as the teens.
6. Having earned a master's degree.
7. Having as a primary motivation for starting his own business that he can't work for anyone else.
8. Relying upon his relationship with his father for the primary motivation for the entrepreneur's high ego and need for achievement.
9. Bringing a chair from business to business.
10. Having lots of luck to be successful in an entrepreneurial venture.
11. Being in secret conflict with venture capitalists.
12. Relying on external management professionals for critical management advice to assure success.
13. Being his best as a doer.
14. Being a moderate risk taker (realistic gambler).

¹Ibid., p. 199.

15. Consulting a lawyer as the first step in starting a business.¹

The above descriptions of Mancuso are based on a sample of 300 entrepreneurs in the Northeast. Mancuso acknowledges that his sample is biased, but some of his findings are substantiated by earlier research.

Many studies have been undertaken to attempt to identify the successful characteristics that should be possessed to insure success in business ownership. The previous studies were cited to give only an overview of the research on entrepreneurial characteristics, certainly not as a conclusive list of studies. However, most students of entrepreneurship would probably agree that there is no such all-inclusive list of entrepreneurial characteristics because entrepreneurs are indeed individuals. Steinhoff does provide a concise listing of features of successful small business managers. His features include:

1. Energy
2. Initiative
3. Ability to organize
4. Personality
5. Technical competence
6. Administrative ability
7. Good judgment
8. Restraint
9. Communication ability
10. Leadership qualities

¹J. R. Mancuso, "What It Takes to Be an Entrepreneur: A Questionnaire Approach," Journal of Small Business Management 12 (October 1974):16-22.

11. Patience
12. Preownership experience¹

In addition to the above features, entrepreneurs stress the importance of full commitment to making their enterprises successful which often results in long hours and low pay during the initial stages of ownership. Their reward is often the fulfillment of the n Achievement rather than an economic reward such as money.

Education for the Entrepreneur

A need to supplement personal characteristics with education for the entrepreneur is evident in the failure rate of businesses in their early years of existence. Dun and Bradstreet reports show that over half, 53.1 percent of the 7,919 businesses that failed in 1977, were in their first five years of operation.² Further statistics indicate that over 40 percent of all failures in the retail field come within the first three years of the firm's operation and over 60 percent within five years. For service businesses, almost 30 percent of the failures occur during the firm's first three years, and just over half of the failures occur within

¹Dan Steinhoff, Small Business Management Fundamentals, 2d ed. (New York: McGraw-Hill Book Company, 1978), p. 17.

²The Business Failure Record, Business & Economics Division (New York: Dun & Bradstreet, Inc., 1978), p. 3.

five years of the opening.¹ Poor management tops the list of reasons why businesses fail.

Taylor concurs with Dun and Bradstreet that poor management is the dissolvent factor for most firms. According to the authors, the nine major items that contribute to the high level of small business failure are as follows:

1. Lack of business experience. This includes a lack of knowledge about how to buy merchandise, how to attract customers, and how to handle finances.
2. Lack of money. This includes both not having enough money to operate for the first year and not knowing how to estimate and control your money needs.
3. Picking the wrong location. This includes not analyzing your market properly.
4. Inventory mismanagement. This includes both purchasing the wrong kinds and the wrong amounts of inventory and creating a drain on cash.
5. Putting too much capital into fixed assets. This includes neglecting to plan for needed operating or working capital.
6. Poor credit-granting practices. This includes its impact on the cash flow situation of the firm and on needed extra debts to carry charge customers.
7. Taking too much money out of the business for yourself.
8. Not planning growth. This includes the money problems and management problems caused by unplanned expansion.
9. Having the wrong attitude toward business. This includes not having the spirit and determination that it takes to be an entrepreneur and taking the business too lightly or chiseling the public.²

¹William R. Park and Sue Chapin-Park, How to Succeed in Your Own Business, Wiley-Interscience Publication (New York: John Wiley & Sons, Inc., 1978), p. 14.

²Taylor, Women and the Business Game, p. 193.

The lack of basic business skills for managing businesses was also found to be one of the greatest problems facing women in the Task Force study. Thus, it seems reasonable to assume that appropriate educational programs emphasizing business skills need to be developed. In particular, studies indicate the need to offer educational programs based on the needs of women entrepreneurs. McNamara comments:

The remedy . . . is not to provide loans to unqualified women but rather to devise training and technical assistance programs so that interested individuals could gain the necessary qualifications to be successful as business owners.¹

Kierulff believes that negative perceptions toward entrepreneurship can be altered by education which is designed to replace uncertainty with knowledge. Kierulff maintains that perceptions can be altered through education in at least two ways:

1. By providing information and techniques for creating and taking advantage of business opportunities and for solving business problems; also
2. By exposing individuals to role models, that is successful entrepreneurs.²

Thus, education is recognized as an important determinant in altering negative perceptions toward entrepreneurship.

¹U.S., Department of Commerce, Small Business Administration, Economic Research on Small Business: The Environment for Entrepreneurship and Small Business--Summary Analysis of the Regional Research Reports (Washington, D.C.: Government Printing Office, 1981), p. 168.

²Herbert E. Kierulff, "Can Entrepreneurs Be Developed?" MSU Business Topics 23 (Winter 1975):41.

Historical Development

Education for the business owner can be traced to the end of World War II--one small business management course still in existence was begun as early as 1947 at Harvard.¹ Vesper at the University of Washington is noted for his research on the growth of course offerings for collegiate entrepreneurial education. The Vesper data show that the number of schools offering courses in new ventures rose from 8 in 1968 to 137 in 1978.² The impetus for small business courses in the '70's and the continued growth in the '80's is coming in part from the students wanting to "do-their-own-thing." While innate skills are a recognized necessity for the aspiring entrepreneur, most educators agree that education can help to formulate a successful strategy for business ownership.³ In addition, today's business environment requires more sophistication and capability to insure success in business.

Entrepreneurial education experienced a surge of growth in the '70's. At the same time schools of business began to recognize the special educational needs of women; and as a result, courses for women in management emerged at the

¹James P. Roscow, "Can Entrepreneurship Be Taught?" MBA 7 (July 1973):16.

²Fox and Mancuso, 402 Things, p. 173.

³"How the Classroom Turns Out Entrepreneurs," Business Week, 18 June 1979, pp. 86-90.

collegiate level.¹ Hennig and Jardim strongly believe that the "experience of women growing up differs from that of men, giving them a different outlook about strategy, risk-taking, achievement, and even their own competence."² As a result, Hennig and Jardim helped to design a graduate business program especially for women at Simmons College in Boston.

One of the most positive influences on the small business management curriculum was the creation of the Small Business Administration in 1953. The surge of growth in course offerings can be attributed in part to the SBA's initiation of the Small Business Institute program in 1972. This program is a management assistance resource functioning through the cooperation of faculty and senior and graduate students in more than 400 of the nation's leading schools of business. The SBI program has been "of practical assistance to small business and has given valuable 'real life' experience to the student-counselors, improved college-community relations, and saved some businesses from almost certain bankruptcy."³ The

¹Bette Ann Stead, Women in Management (Englewood Cliffs, N. J.: Prentice-Hall, Inc.), p. 289.

²"Why Women Need Their Own MBA Programs," Business Week, 23 February 1974, p. 102.

³U.S., Department of Commerce, Small Business Administration, Office of Management Information and Training, Small Business Goes to College, by Robert O. Bauer (Washington, D.C.: Government Printing Office, 1978), pp.5-6.

author quotes Schnabacker, professor of management, as commenting:

The entire SBA (Small Business Institute) program in the past few years has, in my opinion, given the greatest shot in the arm to the quality and quantity of credit courses offered. Academia is really moving now for the first time. ¹(I sense the smell of federal funds is the motivator).

This positive influence of the Small Business Institute is shared by many others involved with the program.

Current Programs for Entrepreneurs

Programs Offered by the Small Business Administration

In addition to the Small Business Institute program, the SBA administers counseling and offers a number of other management training and technical assistance programs for small businesses. The ultimate goal of these services is to assist prospective and actual small business owners and managers in developing the necessary entrepreneurial skills.

The SBA sponsors workshops and seminars on a variety of business subjects and skills. The agency distributes a wide range of complimentary (a small fee is charged for some materials obtained from the U.S. Government Printing Office) management publications. In addition to the counseling supplied by SBA personnel, the agency supports the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE). These volunteer services enable small firms to

¹Ibid., p. 6.

benefit from the experience and skills of seasoned business executives.¹

All of the SBA assistance programs and counseling services are available to women in business or to those seeking help to go into business. Emphasis on increasing aid to women entrepreneurs began in 1977. Since that time, the SBA has had an on-going nationwide women's business ownership campaign. Programs for women were expanded with the appointment in 1980 of an SBA Assistant Administrator for Women's Business Enterprise. SBA workshops and seminars are held specifically for women to aid potential and existing entrepreneurs.²

Programs Offered by Women's
Business Organizations

To increase the odds for success in business, the American Woman's Economic Development Corporation (AWED) trains women business owners. AWED, a nonprofit, federally funded organization in New York, operates under the conviction that with the proper business training, women entrepreneurs can reduce the odds of failing. From the experience of AWED, new entrepreneurs typically make the following mistakes:

¹U.S., Department of Commerce, Small Business Administration, A Directory of Federal Government Business Assistance Programs for Women Business Owners (Washington, D.C.: Government Printing Office, 1980), pp. 9-10.

²U.S., Department of Commerce, Small Business Administration, Public Communications Division, Your Business and the SBA (Washington, D.C.: Government Printing Office, 1980), n.p.

1. Not knowing what it will be like to be an entrepreneur.
2. Inadequate market study of product or service.
3. Inability to put together a business plan and to make profit projections.
4. Lack of business experience.
5. Insufficient capital and poor decision-making in expenditure of funds.
6. Failure to work for a profit.
7. Inability to manage time.
8. Lack of professional relationships.
9. Failure to acquire new businesses.
10. Failure to pick the right location.¹

The proper planning and professional advice advocated by AWED has been 99 percent successful. Only 3 of their 390 women entrepreneur trainees have failed.² Certainly the positive results of this educational program points to the rewards reaped through adequate business training.

The National Association of Women Business Owners (NAWBO) in Washington has affiliated chapters in every state. Interested in meeting the needs of their members, local chapters sponsor workshops and seminars. A primary aim of NAWBO is to increase the networking of women business owners to foster the entrance of women into business. In addition, associations such as the American Business Women's Association, the Institute for Independent Business women, Inc., the National Association for Female Executives, Inc., and the National Federation of Business & Professional Women's Clubs

¹Denise Marcil and Richard Greene, "Beat the Odds: The Ten Fatal Mistakes," Working Women, June 1980, pp. 76-78.

²Ibid., p. 78.

offer informative materials and sponsor seminars or workshops for women entrepreneurs.¹ Perhaps these organizations must assist in the educational process because the colleges are not meeting these needs.

Other Instructional Programs

Boettcher and Hutkin, funded by the Office of Education, designed an "intensified, individualized, and group-oriented instructional program in personnel development for the entrepreneur."² The design and development of the project was a joint effort between the Nebraska Research Coordinating Unit for Vocational Education and the Platte campus of the Central Technical Community College area. Conclusions pertinent to improvement of educational programs for entrepreneurs are as follows:

1. The course taught in the workshop format proved to be an effective way of meeting the personnel development needs of owner-managers involved in manufacturing, retail, and service enterprises.
2. The two counterpart advisory committees in Columbus and Lincoln made a significant contribution to the project by identifying 62 relevant content items needed by owner-managers or entrepreneurs.
3. The achievement of students in the individualized mode of instruction was much better than the achievement in the group-based mode of instruction. However, students liked group instruction because

¹Claudia Jessup and Genie Chipps, The Woman's Guide to Starting a Business, rev. ed. (New York: Holt, Rinehart and Winston, 1979), pp. 23-4, 320-2.

²Julie N. Boettcher and Ronald M. Hutkin, Personnel Development for Entrepreneurs (Lincoln, Neb.: Platte Technical Community College, 1978), p. 2.

it provided an opportunity for sharing ideas and experiences with other owner-managers.

4. The business plan developed by each student and visits by instructors to their businesses was an important part of the workshop because it provided a means of relating theory to practice under the supervision of an instructor.¹

The Boettcher and Hutkin program was designed to meet the special needs of entrepreneurs in their community. Meeting those specialized needs was a contributing factor to the success of the program. Likewise, designing an entrepreneurial program especially geared to the needs of women business owners should greatly enhance the success of the project.

Greenwood, Callsen, and Mott directed a project focusing on the development and evaluation of individualized instructional materials designed to enable adults to make realistic plans for opening their own apparel shops. Two of the objectives included identifying entrepreneurial competencies and preparing learning packages. Five Apparel Shop Entrepreneurship learning packages containing twelve modules were prepared, evaluated, and revised for use by adults in an open entry-exit educational setting. Vocational-technical schools, secondary school adult programs, junior colleges, community colleges, and universities were suggested educational settings for the use of the learning package.²

¹Ibid., p. 34.

²K. M. Greenwood, M. Callsen, and D. Mott, Instructional Materials for Adult Entrepreneurship of Apparel Shops, Abstract (Stillwater, Okla.: Oklahoma State University, Clothing, Textiles, and Merchandising Department, 1978), n.p.

In a study involving 99 entrepreneurs and 97 educators, Bettencourt validated entrepreneurial competencies for use at the secondary level.¹ The author identified 56 entrepreneurial competencies (see Appendix A) through a review of the literature and through interviews with successful entrepreneurs and small business educators. As competencies are an important basis for setting up an educational program, these 56 entrepreneurial competencies were used in the survey instrument for this study to assess the needs of women entrepreneurs.

Future Trends

In our changing technological society, the need for specialized training and education is a high priority. Clayton and Johnson comment:

Even though there will be an acceleration in the pace of change in the marketplace during the decade ahead, one element will not change--that is the need for trained and educated people who have the skills and initiative necessary to carry on the business of America. Business, government, and industry will be dependent on the students of the eighties to step in and carry our country's private enterprise system to new success and prosperity. The important role of education in preparing those administrators and entrepreneurs cannot be underrated.

The need exists for an expansion of course offerings, as well as a general upgrading in content in present courses. In-depth skill development must become the backbone of classroom instruction. However, the fact that the formulation of effective, intelligent decisions has been and will continue to be a major function of the successful businessperson must not be

¹Bettencourt, "Competencies," p. 63.

forgotten by the education community. Students must be given an opportunity to analyze, summarize, and synthesize in order to be prepared for the problems confronting the world in which they will find themselves.¹

Thus, educators of entrepreneurs must be aware of changes in the marketplace and must be willing to develop educational programs which incorporate these changes into the curriculum.

White (1895-1966), one of the founders of the National Council for Small Business Management Development, was credited for having great foresight into educational needs for the future. White commented:

Education for business needs to be sold by the businessman to every citizen, to all property owners, to manufacturers, and to those who govern the local community. Free, universal education has helped make America the leader of all nations. Education makes people want better, happier, more useful lives. Education conditions people to progress and to accept the new. Education creates need, desire and demand. The prosperity and happiness of any community is directly related to the extent and character of its education.

Business is the extension of education. Education raises men's aspirations, widens their vision, makes them look forward. One man has written: 'Creative thought--imaginative study--courageous experiment by men of education and business offer the greatest hope for our future.'²

¹Charles A. Newman and Joyce J. Caton, eds., Updating Content in Secondary Business Education, National Business Education Yearbook, No. 19 (Reston, Va.: National Business Education Association, 1981), pp. 63-4.

²U.S., Department of Commerce, Small Business Administration, Procurement and Management Assistance, Strengthening Small Business Management, Selections from the papers of L. T. White (Washington, D.C.: Government Printing Office, 1971), p. 155.

Thus, the importance of education in our society cannot be overestimated. The need for the business community and the educational community to work together sharing their experiences and knowledges to improve our business environment for the future is evident. The challenge is present; the answer lies in action.

Summary

A review of literature concerning women in the work force was made in order to gain a better perspective of the contributions of women to the economy. The few studies involving women business owners indicated a need for improvement of business skills and the need for more research on women entrepreneurs. Because past research has focused predominately on the male entrepreneur, those studies were examined to augment the section identifying entrepreneurial characteristics.

Because a high percentage of businesses fail in their early year of existence, a search was made to determine the causes of business failures. The review included the growth of small business management in collegiate education and the need to meet the special needs of women in business. An examination of studies relating to instructional programs for entrepreneurs revealed a list of 56 entrepreneurial competencies. These competencies were used in the design of the study to help determine the needs of women entrepreneurs.

The methods used to accomplish the purpose of the study are set forth in Chapter III.

CHAPTER III

DESIGN AND METHODOLOGY OF THE STUDY

Introduction

A modicum of entrepreneurial research focuses on the woman business owner. From a search of existing literature, few facts can be stated about the female entrepreneur based on research findings. However, the Task Force on Women Business Owners commissioned by President Carter in 1977 brought national attention to self-employed women. The Task Force study published the following year made a major contribution to existing research concerning the woman entrepreneur-- who she is and what her needs are.

A lack of management and business skills was identified by the Task Force as a major problem facing women seeking self-employment. The problem is magnified in that the number of self-employed women increased at a rate almost triple that of self-employed men between 1971 and 1977. With the increasing number of women choosing self-employment, emerges an urgent need for education in management and business skills to enhance business ownership.

Business educators are faced with the responsibility of meeting the needs not only of business students in general, but also of potential and existing women business owners in particular. In order to meet the special needs of self-employed women, the research for this study was designed to obtain the views of current women business owners toward selected entrepreneurial competencies. Through the judgments of these women, the importance of competencies for successful management of privately owned small businesses were determined. In addition, the demand for educational programs in developing needed entrepreneurial competencies was ascertained.

Selection of the Population

The population on which this study was based consisted of women business owners in retail and service industries in Kansas. A woman business owner is defined as owning, controlling, and operating at least 51 percent of the business. According to the 1977 economic census data, a total of 8,270 businesses were women-owned in Kansas with 2,885 businesses representing retail trade and 3,370 comprising selected services.¹ The national average of 75 percent of all women-owned firms concentrating in selected services and retail trade is mimicked in Kansas with 75.63 percent concentrating in these two areas. The women-owned businesses are clustered

¹U.S., Women-Owned Businesses: 1977, p. 33.

in the three largest metropolitan areas of Kansas City, Wichita, and Topeka with 84.94 percent of all businesses located in the three cities. These geographic locations account for 93.98 percent of selected service businesses and 71.95 percent of retail businesses that are women owned.¹

Selection of the Sample

From the population of women business owners in Kansas, a sample consisting of 125 women were selected. Kerlinger defines sampling as:

. . . taking any portion of a population or universe as representative of that population or universe. This definition does not say that the sample taken . . . is representative. It says, rather, taking a portion of the population and *considering* it to be representative.²

Kerlinger further notes that random sampling allows every element of the population an equal chance of being selected and thus could be considered representative. However, he clarifies his position by saying that researchers can never be certain that a random sample is representative of the population from which it is drawn.³

Kerlinger states that random samples are usually expensive and in general, hard to obtain.⁴ He further notes

¹Ibid., pp. 59-84.

²Fred N. Kerlinger, Foundations of Behavioral Research, 2d ed. (New York: Holt, Rinehart and Winston, Inc., 1973), p. 118.

³Ibid., pp. 118-19.

⁴Ibid., p. 129.

that alternative methods for obtaining samples are often necessary and unavoidable. According to Kerlinger, quota sampling "is used to select sample members that are representative, 'typical,' and suitable for certain research purposes."¹

Originally, the sample for this study was to be comprised solely from the 1980 Women Owned Business Directory--Iowa, Kansas, Missouri, and Nebraska. At the time of the research, this was the only women-owned business directory that could be identified for Kansas. Initially, all businesses with Kansas addresses listed under the classifications of Retail/Wholesale and Services were to be used. In selecting the sample, 121 entries were identified as meeting the criteria.

To increase the likelihood that the listings in the year-old directory were still in fact on-going businesses, all entries were checked with current telephone listings found in the Topeka public library. Roughly one-third of the 121 businesses were not listed in current telephone directories. However, phone calls were made from the numbers given in the 1980 directory to verify that the phone was not in service or to obtain a new listing if one were available. After preliminary checking was completed, 82 listings were found to be current.

¹Ibid.

At this point, researchers at the University of Oklahoma as well as a well-known researcher/statistician at the Menninger Foundation in Topeka were consulted for advice on whether to proceed with the reduced sample of 82 or whether to expand the sample size from sources other than the directory. The consensus was to expand the sample size in order to have adequate responses for comparison purposes of the data. Kerlinger advocates the use of as large samples as possible. Kerlinger states that "statistics calculated from large samples are more accurate, other things equal, than those calculated from small samples."¹

In an effort to expand the sample size, the General Services Administration in Kansas City was contacted. That Administration was in the process of compiling an addendum to the 1980 directory. After some persuasion and an offer to visit their office to obtain the new listings, the GSA office sent the new listings of which 10 were usable for the study.

In addition, 10 listings were obtained from Kansas chapters of the National Association of Women Business Owners, and 15 other listings from Chambers of Commerce. Also, 8 referrals came from women business owners.

So that the design of the study could be strictly adhered to, telephone calls were made to all of the referrals

¹Ibid., p. 128.

which were not listed in the 1980 directory. Each woman was asked whether she did in fact own her business (minimum of 51 percent ownership). If the reply was positive, then she was asked whether she would be willing to participate in the study. The final study sample was comprised of 125 women.

Collection of Data

In order to obtain the information desired from the sample of women business owners, the survey method of research was determined to be appropriate. Kerlinger comments concerning survey research:

Survey research studies large and small populations (or universes) by selecting and studying samples chosen from the populations to discover the relative incidence, distribution, and inter-relations of sociological and psychological variables. Surveys covered by this definition are often called *sample surveys*, probably because survey research developed as a separate research activity, along with the development and improvement of sampling procedures. Surveys, as such, are not new. Social welfare studies were done in England as long ago as the eighteenth century. Survey research in the social scientific sense, however, is quite new--it is a development of the twentieth century. . . .

Sample surveys attempt to determine the incidence, distribution, and interrelations among sociological and psychological variables. Although the approach and the techniques of survey research can be used on any set of objects that can be well-defined, survey research focuses on people, the vital facts of people, and their beliefs, opinions, attitudes, motivations, and behavior.

The social scientific nature of survey research is revealed by the nature of its variables, which can be classified as sociological *facts* and *opinions* and *attitudes*. *Sociological facts* are attributes of individuals that spring from their membership in

social groups: sex, income, political and religious affiliation, socio-economic status, education, age, living expenses, occupation, race, and so on.¹

As a device for gathering the desired information from the selected participants, a survey instrument (Appendix B) consisting of scaled responses to competencies was prepared. The 56 entrepreneurial competencies used in the study were identified in the review of literature discussed in Chapter II. Bettencourt, the originator of the competencies, approved their use for this study.

The 56 competencies are divided into four categories--General Competencies, Managerial Competencies, Marketing and Sales Competencies, and Accounting and Financial Competencies. Respondents were asked to rate each competency based on a five-point scale--1-No Importance, 2-Little Importance, 3-Somewhat Important, 4-Important, and 5-Very Important. To determine the demand for education, respondents were asked to respond either "yes" or "no" to whether they would attend educational activities stressing the entrepreneurial competencies. Likewise, to assess the frequency of past attendance in educational activities, respondents were asked whether they had attended educational programs emphasizing the competencies.

The survey instrument sought information concerning the educational needs of women entrepreneurs. Other types of

¹Ibid., pp. 410-11.

information sought by means of the survey regarded: (1) industrial classification, (2) personal characteristics, and (3) business characteristics. Some of the questions pertaining to demographic data were taken from a 1977 government questionnaire sent to women business owners.¹

A pilot study was made of ten Topeka women entrepreneurs not included in the study sample. The purpose of the pilot study was to test the questionnaire for possible revisions or adjustments.

During August 1981, the pilot study questionnaire was personally delivered to the women in the pilot study. Nine of the ten participants agreed to a prescheduled time for completing the questionnaire followed by a brief informal interview designed to elicit comments regarding the cover letter and questionnaire. The tenth participant agreed to fill out the survey instrument, noting any comments or suggestions, at a time convenient for her work schedule.

The revised survey instrument was then mailed to the 125 women business owners comprising the sample. Mailed to these participants were the materials in Appendix C--a letter inviting participation, the survey instrument (Appendix B), a form by which the participant could request a copy of the findings of the study, and an addressed, stamped envelope.

¹U.S., Selected Characteristics, pp. A-1-2.

To assure confidentiality of responses, participants were asked to return the questionnaires unsigned. However, for follow-up purposes, questionnaires were precoded. A response sheet (Appendix D) was then prepared with only a listing of the code numbers. This method allowed the association of numbers only for incoming questionnaires. Names were matched with code numbers only for nonrespondents at the follow-up periods.

To encourage completion of the survey instrument, a telephone follow-up was made two weeks following the initial 16 September 1981 mailing of questionnaires. A second follow-up was made two weeks later. A total of 107 completed questionnaires were received for an 85.6 percent return rate. Of the 107 returned instruments, 106 were usable for this study for an 84.8 percent usable return rate.

The first step involved in editing the completed questionnaires was to categorize the businesses involved using the standard industrial classification system published in the SIC Manual. The importance and use of the Manual are elaborated:

The Standard Industrial Classification Manual (SIC) is one of the most important tools that has been developed to promote the comparability of statistics describing various facets of the economy of the Nation. The SIC defines industries in accordance with the composition and structure of the economy and covers the entire field of economic activities. It is revised periodically to reflect the changing industrial composition of the economy. The present revision is the first major one since 1957.

Developed initially for use within Government for statistical purposes, the SIC is now widely used by individual business firms for classification of their customers and suppliers in market research, as well as by non-Government research and business organizations, and trade and professional associations which compile statistics supplementing those provided by Federal agencies.¹

The 106 firms were classified as follows:

Service	55
Retail	38
Retail/Wholesale	1
Finance/Insurance/Real Estate	10
Transportation Services	2

For statistical analysis the one respondent in the Retail/Wholesale classification was placed in the Retail category. In addition, the ten firms representing Finance/Insurance/Real Estate plus the two businesses classified as Transportation Services were combined with the Service group. Thus, the two groups for comparative analysis were comprised of 39 firms in Retail and 67 firms representing Service.

Following the classification of businesses, questionnaires were coded for missing data. Computer cards were then key-punched directly from the edited questionnaires. A program was then prepared to verify the key-punching of the data. Appropriate corrections were made, with the second verification showing no errors.

¹U.S., Department of Commerce, Statistical Policy Division, Standard Industrial Classification Manual (Washington, D.C.: Government Printing Office, 1972), p. 3.

Methods of Statistical Analysis

In order to properly analyze the questionnaire responses, a computer program was prepared to list the frequency count for each question. To compare frequencies between service and retail businesses, a crosstab program for industrial classification was planned. After these two programs had been successfully executed, three separate programs were then written to rank the importance of the 56 entrepreneurial competencies by service, by retail, and by a combination of service and retail. In addition to ranking the competencies by industry, the program was designed to rank the competencies within each of the four categories--General Competencies, Managerial Competencies, Marketing and Sales Competencies, and Accounting and Financial Competencies. For ranking the competencies, a numerical value was assigned each of the five choices available to the respondents as follows:

No Importance	1.00
Little Importance	2.00
Somewhat Important	3.00
Important	4.00
Very Important	5.00

Utilizing frequency counts and the designated numerical values, a mean response was then computed. The mean was used to rank each of the 56 competencies. This ranking created a continuum ranging from +5.00 representing a perfect rating of being essential in owning and operating a small

business to +1.00 representing a rating of no value for business ownership and operation.

The nature of this study dictated the use of a non-parametric statistical test as opposed to a parametric procedure. According to Siegel:

A nonparametric statistical test is a test whose model does not specify conditions about the parameters of the population from which the sample was drawn. Certain assumptions are associated with most nonparametric statistical tests, i.e., that the observations are independent and that the variable under study has underlying continuity, but these assumptions are fewer and much weaker than those associated with parametric tests. Moreover, nonparametric tests do not require measurement so strong as that required for the parametric tests; most nonparametric tests apply to data in an ordinal scale, and some apply also to data in a nominal scale.¹

Through conferences with research statisticians, the chi-square test was deemed appropriate for this study. Siegel describes the function of the chi-square test as follows:

When the data of research consist of frequencies in discrete categories, the χ^2 test may be used to determine the significance of differences between two independent groups. The measurement involved may be as weak as nominal scaling.

The hypothesis under test is usually that the two groups differ with respect to some characteristic and therefore with respect to the relative frequency with which group members fall in several categories. To test this hypotheses, we count the number of cases from each group which fall in the various categories, and compare the proportion of cases from one group in the various categories with the proportion of cases from the other group.²

¹Sidney Siegel, Nonparametric Statistics: For the Behavioral Sciences (New York: McGraw-Hill Book Company, Inc., 1956), p. 31.

²Ibid., p. 104.

The value of chi-square is computed by the following formula:¹

$$\chi^2 = \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

A second statistical measure determined to be appropriate for the study was the median test. To elaborate on the function of the median test, Siegel comments:

The median test is a procedure for testing whether two independent groups differ in central tendencies. More precisely, the median test will give information as to whether it is likely that two independent groups (not necessarily of the same size) have been drawn from populations with the same median. The null hypothesis is that the two groups are from populations with the same median; the alternative hypothesis may be that the median of one population is *different* from that of the other (two-tailed test) or that the median of one population is *higher* than that of the other (one-tailed test). The test may be used whenever the scores for the two groups are in at least an ordinal scale.²

In order to perform the data analysis of the selected statistical tests, the Statistical Analysis System (SAS) was used. The function of SAS is described as follows:

SAS provides a complete set of data-handling tools that make it possible to detect errors, change values, and generate new variables. Once the data values are in SAS data sets, there are no limits to the ways in which they can be combined. The data-handling features of SAS are so valuable that SAS is used by many as a data base management system.³

¹Ibid. ²Ibid., p. 111.

³SAS User's Guide, 1979 ed. (Raleigh, N.C.: SAS INSTITUTE INC, 1979), p. 4.

When the SAS program for the chi-square test was executed, some of the tables were so sparse that their validity was questionable. In analyzing the frequency counts, it was noted that very few responses represented the cells of "No Importance" or "Little Importance." Statisticians advised the collapsing of the cells of "No Importance" and "Little Importance" into the cell of "Somewhat Important." With the collapsing of the cells, the chi-square procedure was again performed, and the test proved to be valid for all tables.

Summary

The purpose of Chapter III was to present the methodology used to collect and analyze the data necessary to attain the objectives of this study. The design and methodology presented in this chapter form the basis on which an evaluation can be made of the findings and conclusions presented in the following chapter.

A discussion of the population giving comparative percentages of Kansas women business owners to U.S. women entrepreneurs was presented. Procedures for selection of the study sample were explained.

The implementation of the procedures for collecting the data was described as well as the statistical methods used in analyzing the data. The Statistical Analysis System was explained as SAS programs were used in this study.

The analysis of the collected data is presented in Chapter IV. Results of the statistical tests used to analyze the data are also reported in the following chapter.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

Introduction

The purpose of this chapter is to present the data collected through a survey of women business owners in selected retail and service firms in Kansas. The first section of the chapter is devoted to a description of the 106 respondents and their businesses. The second section gives the chi-square and median tests analyses of the differences in distributions and medians of service and retail responses for the importance of entrepreneurial competencies. An analysis of the rankings of competencies by statistical means is presented in the third section of this chapter. The last portion of Chapter IV relates the demand for, and the past participation in, educational programs emphasizing entrepreneurial competencies.

Profile of the Woman Entrepreneur and Her Business

Of the 125 women business owners comprising the study sample, 106 respondents returned usable questionnaires for an

84.8 percent return rate. The service industry is represented by 67 respondents while the retail area is represented by 39 respondents. Of the 67 (63.2 percent) service entrepreneurs, only 12 (11.3 percent) indicated having owned a business prior to the one presently owned; while 8 (7.6 percent) of the 39 (36.8 percent) retail business owners indicated prior ownership.

Managerial Experience

Almost two-thirds, 68 (64.1 percent), respondents had managerial experience prior to owning their own businesses. Seven (6.6 percent) women indicated 20 years or more working in a managerial capacity. A complete breakdown of managerial experience by industry is given in Table 1.

TABLE 1
MANAGERIAL EXPERIENCE

Years	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
None	21	19.8	17	16.0	38	35.9
Less than 2 years	5	4.7	2	1.9	7	6.6
2 - 5 years	15	14.2	9	8.5	24	22.6
6 - 9 years	11	10.4	5	4.7	16	15.1
10 - 19 years	12	11.3	2	1.9	14	13.2
20 years or more	3	2.8	4	3.8	7	6.6
TOTAL	67	63.2	39	36.8	106	100.0

Family Position

In the family constellation almost three fourths, 79 (74.5 percent), of the women were characterized as being an only child or either the oldest or the youngest of the children. Over half, 58 (54.7 percent), of the respondents said they were either an only child or the oldest in the family. Details of the family position of women business owners are shown in Table 2.

TABLE 2
FAMILY POSITION

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Only child	7	6.6	5	4.7	12	11.3
Youngest	16	15.1	5	4.7	21	19.8
Oldest	28	26.4	18	17.0	46	43.4
Other	16	15.1	11	10.4	27	25.5
TOTAL	67	63.2	39	36.8	106	100.0

Age

The majority, 70 (66.0 percent), of the respondents were between the ages of 35 and 54. This compared with 10 (9.4 percent) respondents between the ages of 25 and 34 and 26 (24.5 percent) respondents 55 years and older. Details of age by industry are illustrated in Table 3.

TABLE 3

AGE

Age	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
25 - 34	6	5.7	4	3.8	10	9.4
35 - 44	21	19.8	15	14.2	36	34.0
45 - 54	27	25.5	7	6.6	34	32.1
55+	13	12.3	13	12.3	26	24.5
TOTAL	67	63.2	39	36.8	106	100.0

Marital Status

The majority, 72 (67.9 percent), of the respondents were married. Twenty-five (23.6 percent) business owners reported their marital status as once married, but now single. Only 8 (7.6 percent) respondents had never been married. Details of marital status of business owners are shown in Table 4.

TABLE 4

MARITAL STATUS

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Never married	4	3.8	4	3.8	8	7.6
Married	45	42.5	27	25.5	72	67.9
Once married, but now single	18	17.0	7	6.6	25	23.6
No response	-	-	1	.9	1	.9
TOTAL	67	63.2	39	36.8	106	100.0

Educational Level

Over three-fourths, 84 (79.3 percent), of the respondents had attended college. Of the 41 (38.7 percent) owners having graduated from college, 5 volunteered the information of having earned a master's degree while 2 noted having received doctorates. Twenty (18.9 percent) respondents indicated high school graduation as the highest level of educational attainment. Only one (.9 percent) respondent had less than a high school education. Table 5 details the educational attainment of women business owners.

TABLE 5
EDUCATIONAL LEVEL

Highest Level Attained	Service Freq	%	Retail Freq	%	Total Freq	%
Less than high school	1	.9	-	-	1	.9
High school grad	11	10.4	9	8.5	20	18.9
Some college	30	28.3	13	12.3	43	40.6
College grad	25	23.6	16	15.1	41	38.7
No response	-	-	1	.9	1	.9
TOTAL	67	63.2	39	36.8	106	100.0

Ancestry

Of the 106 respondents, 99 (93.4 percent) business owners were white. Minorities were represented by 5 (4.7

percent) black respondents and 2 (1.9 percent) Hispanic owners. Details regarding origin of the respondents are shown in Table 6.

TABLE 6
ANCESTRY

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
White	63	59.4	36	34.0	99	93.4
Black	4	3.8	1	.9	5	4.7
Hispanic	-	-	2	1.9	2	1.9
TOTAL	67	63.2	39	36.8	106	100.0

Situations Leading to Business Ownership

Over one-fourth, 30 (28.3 percent), of the respondents noted frustration with their jobs or termination from their jobs as the situation leading to their decision to move into business ownership. Only eight (7.6 percent) women listed death of a spouse or divorce from a spouse as the determining factor to become self-employed. The 40 (37.7 percent) owners who checked the "other" category listed a variety of reasons for going into business ranging from being self-motivated and having the desire to achieve to being able to stay home with their children. Table 7 details the situations leading to business ownership.

TABLE 7
SITUATIONS LEADING TO BUSINESS OWNERSHIP

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Influence of parent entrepreneur	4	3.8	3	2.8	7	6.6
Death of spouse	3	2.8	3	2.8	6	5.7
Divorce from spouse	1	.9	1	.9	2	1.9
Terminated from job	5	4.7	-	-	5	4.7
Frustrated with job	17	16.0	8	7.6	25	23.6
Encouraged by friends	9	8.5	9	8.5	18	16.9
Other	26	24.5	14	13.2	40	37.7
No response	2	1.9	1	.9	3	2.8
TOTAL	67	63.2	39	36.8	106	100.0

Legal Organization of Business

Almost half, 50 (47.2 percent), of the respondents are sole proprietors. Over a third, 38 (35.9 percent), of the businesses are categorized as corporations while only 13 (12.3 percent) of the owners are involved in partnerships. Details concerning the legal form of organization for the businesses are shown in Table 8.

Business Location

Almost two-thirds, 70 (66.0 percent), of the respondents have businesses located away from their private residences. The distribution was fairly evenly distributed between shopping

TABLE 8
LEGAL ORGANIZATION OF BUSINESS

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Sole proprietorship	37	34.9	13	12.3	50	47.2
Partnership	6	5.7	7	6.6	13	12.3
Corporation	23	21.7	15	14.2	38	35.9
No response	1	.9	4	3.8	5	4.7
TOTAL	67	63.2	39	36.8	106	100.0

centers, central business districts, and office complexes. Less than one-third, 31 (29.3 percent), of the owners have businesses located at their private residences. Table 9 gives the details of business location of the respondents.

TABLE 9
BUSINESS LOCATION

	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Private residence	25	23.6	6	5.7	31	29.3
Shopping center	4	3.8	16	15.1	20	18.9
Central business district	15	14.2	9	8.5	24	22.6
Office complex	17	16.0	1	.9	18	17.0
Other	5	4.7	3	2.8	8	7.6
No response	1	.9	4	3.8	5	4.7
TOTAL	67	63.2	39	36.8	106	100.0

Length of Business Ownership

Almost half, 51 (48.1 percent), of the women have been in business more than five years. Of those respondents specifying the exact number of years over five, fourteen indicated twenty years or longer in business, four noted more than thirty years, one listed forty-four years, and one had been in business fifty years. Twenty-eight (26.4 percent) of the owners had been in business from three to five years while twenty-six (24.5 percent) indicated less than three years of business ownership. Details showing the years of business ownership of the respondents are given in Table 10.

TABLE 10
LENGTH OF BUSINESS OWNERSHIP

Years	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Less than 3 years	16	15.1	10	9.4	26	24.5
3 - 5 years	18	17.0	10	9.4	28	26.4
More than 5 years	32	30.2	19	17.9	51	48.1
No response	1	.9	-	-	1	.9
TOTAL	67	63.2	39	36.8	106	100.0

Major Financing and/or Capital for Business Ownership

Almost half, 51 (48.1 percent), of the respondents used individual or joint savings for capital investment to

become business owners. Twenty-six (24.5 percent) women obtained financing through commercial bank loans. Only four (3.8 percent) respondents obtained their major financing through government programs. Table 11 details the major financing and/or capital utilized for business ownership.

TABLE 11
MAJOR FINANCING AND/OR CAPITAL
FOR BUSINESS OWNERSHIP

Source	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Family or friends	6	5.7	7	6.6	13	12.3
Individual or joint savings	34	32.1	17	16.0	51	48.1
Government program	3	2.8	1	.9	4	3.8
Commercial bank loan	14	13.2	12	11.3	26	24.5
Other	9	8.5	1	.9	10	9.4
No response	1	.9	1	.9	2	1.9
TOTAL	67	63.2	39	36.8	106	100.0

Ownership of Business

Two-thirds, 71 (67.0 percent), of the women were the original founders of their businesses. Twenty-nine (27.4 percent) of the respondents gained ownership through the purchase of their businesses. Only five (4.7 percent) of the owners inherited their businesses. Details showing how the

respondents gained ownership of their businesses are given in Table 12.

TABLE 12
OWNERSHIP OF BUSINESS

How Gained	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
Original founder	47	44.3	24	22.6	71	67.0
Bought business	17	16.0	12	11.3	29	27.4
Inherited business	2	1.9	3	2.8	5	4.7
Other	1	.9	-	-	1	.0
TOTAL	67	63.2	39	36.8	106	100.0

Capital Needed for Starting Business

Over half, 56 (52.8 percent), of the respondents indicated a need for capital between \$1 and \$9,999 to start or become owners in their businesses. Sixteen (15.1 percent) women reported a need for capital within the \$10,000 to \$24,999 category to become business owners. Only nine (8.5 percent) of the respondents--all in the service industry--required no capital outlay for business ownership. Details concerning the total amount of capital, including financing, necessary for the respondents to start or become owners in their businesses are shown in Table 13.

TABLE 13
CAPITAL NEEDED FOR STARTING BUSINESS

Amount Needed	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
None	9	8.5	-	-	9	8.5
\$1-\$9,999	36	34.0	20	18.9	56	52.8
\$10,000-\$24,999	10	9.4	6	5.7	16	15.1
\$25,000-\$49,999	6	5.7	6	5.7	12	11.3
\$50,000-\$99,999	3	2.8	3	2.8	6	5.7
\$100,000 or more	3	2.8	2	1.9	5	4.7
No response	-	-	2	1.9	2	1.9
TOTAL	67	63.2	39	36.8	106	100.0

Net Income or Loss

Almost three-fourths, 75 (70.8 percent), of the women business owners reported a 1980 net income before taxes. This compared with 22 (20.8 percent) of the owners reporting a 1980 net loss before taxes. Slightly over one-fifth, 22 (20.8 percent), of the respondents had a net income before taxes between \$10,000 and \$24,999. Slightly under one-fifth, 20 (18.9 percent), of the owners reported an income between \$25,000 and \$49,999. Only two (1.9 percent) of the women had 1980 incomes over \$250,000, while nine (8.5 percent) of the owners reported incomes under \$5,000. A 1980 net loss under \$5,000 was reported by 12 (11.3 percent) of the respondents, while only three (2.8 percent) sustained losses of over \$25,000. Table

14 details the 1980 net income or loss before taxes for the respondents.

TABLE 14
1980 NET INCOME OR LOSS BEFORE TAXES

Amount	Service		Retail		Total	
	Freq	%	Freq	%	Freq	%
<u>Net Income</u>						
Under \$5,000	2	1.9	7	6.7	9	8.5
\$5,000-\$9,999	6	5.7	4	3.8	10	9.4
\$10,000-\$24,999	16	15.1	6	5.7	22	20.8
\$25,000-\$49,999	15	14.2	5	4.7	20	18.9
\$50,000-\$99,999	3	2.8	2	1.9	5	4.7
\$100,000-\$250,000	2	1.9	5	4.7	7	6.6
Over \$250,000	2	1.9	-	-	2	1.9
<u>Net Loss</u>						
Under (\$5,000)	8	7.6	4	3.8	12	11.3
(\$5,000)-(\$9,999)	2	1.9	1	.9	3	2.8
(\$10,000)-(\$24,999)	2	1.9	2	1.9	4	3.8
Over (\$25,000)	3	2.8	-	-	3	2.8
No response	6	5.7	3	2.8	9	8.5
TOTAL	67	63.2	39	36.8	106	100.0

Composite of the Woman Entrepreneur
and Her Business

Information gleaned from this study depicts a profile of a typical woman entrepreneur as the oldest child in her family and as the original founder of her business. This hypothetical business owner is a white married female between

the age of 35 and 54 with some college education and managerial experience. Her business is characterized as a sole proprietorship located in the central business district or a shopping center. The hypothetical woman-owned business has been in existence for more than five years and shows a net income before taxes between \$10,000 and \$49,999.

Analyses of the Chi-Square and Median Tests

The chi-square test and the median test were used for statistical analyses of the 56 entrepreneurial competencies. Chi-square was used to test whether service and retail entrepreneurial responses differed in distributions of competency importance. The median test was used to test the difference between service and retail medians for each competency rating. Both the chi-square and median tests were performed through the use of the Statistical Analysis System (SAS) on the computer. The two statistical procedures were used to test the null hypothesis:

There is no statistically significant difference between service businesses and retail businesses in the importance of entrepreneurial competencies.

The tables in Appendix E report the results of the chi-square and median tests for all 56 competencies.

The discussion of the chi-square and median tests is presented in the following four groups: General Competencies, Managerial Competencies, Marketing and Sales Competencies, and Accounting and Financial Competencies.

General Competencies

Table 15 lists the competencies where there were significant differences at the .05 level in the comparisons of service and retail responses to General Competency areas. The General category was comprised of 19 competencies. The chi-square test produced three significant differences in the distribution of responses to the following competencies:

4. Understanding the development of organizational structure
6. Familiarization with purchasing of fixtures, equipment, and furnishings
13. Knowledge of business law and the Uniform Commercial Code

The median test supported the findings of the chi-square test and also noted a significant difference in the comparisons of service and retail medians in a fourth General Competency. The four significant differences at the .05 level occurring from the median test were:

4. Understanding the development or organizational structure
6. Familiarization with purchasing of fixtures, equipment, and furnishings
13. Knowledge of business law and the Uniform Commercial Code
14. Familiarization with the Occupational Safety and Health Act

Managerial Competencies

Table 16 reports the managerial competencies in which there were significant differences at the .05 level in the responses of service entrepreneurs when compared to responses of retail business owners. This category consisted of 18

TABLE 15
SIGNIFICANT CHI-SQUARE AND MEDIAN TESTS ANALYSES
(General Competencies)

Competency	Calculated P Value	
	Chi-Square	Median Test
4. Understanding the development of organizational structure	.05	.02
6. Familiarization with purchasing of fixtures, equipment, and furnishings	.05	.03
13. Knowledge of business law and the Uniform Commercial Code	.04	.04
14. Familiarization with the Occupational Safety and Health Act	-	.04

managerial competencies. Four significant differences were identified by the chi-square test as follows:

- 21. Familiarity with methods for conducting efficient, effective meetings
- 23. Knowledge of general purchasing skills--supplies, tools, equipment, etc.
- 25. Knowledge of inventory control and turnover
- 30. Awareness of factors involved in human relations

The median test concurred with three of the four chi-square significant differences. The three significant differences at the .05 level identified by the median test were:

- 21. Familiarity with methods for conducting efficient, effective meetings
- 25. Knowledge of inventory control and turnover
- 30. Awareness of factors involved in human relations

TABLE 16
SIGNIFICANT CHI-SQUARE AND MEDIAN TEST ANALYSES
(Managerial Competencies)

Competency	Calculated P Value	
	Chi-Square	Median Test
21. Familiarity with methods for conducting efficient, effective meetings	.03	.02
23. Knowledge of general purchasing skills--supplies, tools, equipment, etc.	.01	-
25. Knowledge of inventory control and turnover	.01	.01
30. Awareness of factors involved in human relations	.03	.01

Marketing and Sales Competencies

Table 17 reports the significant difference at the .05 level found in the marketing and sales competencies when comparing the responses of service proprietorship to the retail responses. The marketing and sales category consisted of ten competencies. Only one significant difference was indicated by the chi-square test. This was:

- 44. Ability to determine and interpret factors which indicate extent and strength of competition

The median test revealed no significant differences at the .05 level between the medians of retail and service respondents for the ten marketing and sales competencies.

TABLE 17
SIGNIFICANT CHI-SQUARE TEST ANALYSIS
(Marketing and Sales Competencies)

Competency	Calculated P Value Chi-Square
44. Ability to determine and interpret factors which indicate extent and strength of competition	.00

Accounting and Financial Competencies

Table 18 indicates the accounting and financial competencies where there were significant differences at the .05 level in the comparisons of service and retail responses. The accounting and financial category consisted of nine competencies. The chi-square test identified significant differences in three accounting and financial competencies.

These were:

- 50. Ability to interpret financial statements
- 55. Ability to determine and compute trade and cash discounts
- 56. Familiarity with federal, state, and local taxes

Only one significant difference at the .05 level was revealed by the median test. This was:

- 56. Familiarity with federal, state, and local taxes

Analysis of Entrepreneurial Competency Ratings

The women entrepreneurs' judgments of the importance of each of the entrepreneurial competencies for success in

TABLE 18
SIGNIFICANT CHI-SQUARE AND MEDIAN TEST ANALYSES
(Accounting and Financial Competencies)

Competency	<u>Calculated P Value</u>	
	Chi-Square	Median Test
50. Ability to interpret financial statements	.01	-
55. Ability to determine and compute trade and cash discounts	.01	-
56. Familiarity with federal, state, and local taxes	.05	.02

business ownership are reported in five categories. These areas are: General Competencies, Managerial Competencies, Marketing and Sales Competencies, Accounting and Financial Competencies, and Combined Entrepreneurial Competencies. The competency responses within each of the five categories are reported by three groups--service entrepreneurs, retail entrepreneurs, and service and retail entrepreneurs combined.

Analysis of each competency is reported by use of a statistical mean. Because the competencies were rated on a scale of 1 to 5 (5 being of most importance), the mean responses range from a +1.00, representing a rating of no importance for business ownership, to a +5.00 representing a rating of most importance for business ownership. Tables 19-33 report the statistical mean for each competency listed within a specified area in rank order from highest to lowest ranking.

General Competencies

The category, General Competencies, consisted of 19 entrepreneurial competencies pertaining to the importance of general business understandings.

Service Entrepreneurs

The women business owners in the service industry rated the general competencies from a high mean of 4.59 to a low mean of 3.25. Eight of the nineteen competencies received a rating over 4.00 and were thus considered very important for success in business ownership. The three competencies receiving the highest ratings were:

17. General knowledge of the total business or industry which is being entered (4.59)
2. Understanding the basic steps involved in starting a small business (4.37)
10. Ability to determine sources of capital (4.34)

All of the competencies listed in the General Competencies category received a mean rating by service entrepreneurs of more than 3.00 and were thus considered important for business ownership. Table 19 lists the general competencies and their means in rank order by service entrepreneurs.

Retail Entrepreneurs

Retail business owners did not rate the general competencies as high as did the service entrepreneurs. The retail means ranged from a high of 4.27 to a low of 2.76. Only four

TABLE 19
GENERAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Service Entrepreneurs)

Rank	General Competency	Statistical Mean
1	General knowledge of the total business or industry which is being entered	4.59
2	Understanding the basic steps involved in starting a small business	4.37
3	Ability to determine sources of capital	4.34
4	Awareness of the existence and appropriate use of professional consultants	4.28
5	Understanding of federal and state regulations	4.22
6	Ability to determine causes for failure of similar small businesses	4.12
7	Ability to assess facilities and equipment required	4.07
8	Understanding of factors involved in the decision to grant credit	4.01
9	Knowledge of various types of ownership	3.96
10	Understanding various types of insurance and the application of each type	3.88
11	Knowledge of business law and the Uniform Commercial Code	3.86
12	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.79
13	Awareness of facilities available for supplying information on starting a small business	3.70
14	Understanding the various terms of occupancy	3.70
15	Knowledge of building and space utilization	3.65
16	Familiarization with purchasing of fixtures, equipment, and furnishings	3.58
17	Understanding the development of organizational structure	3.58
18	Familiarity with various manufacturing and production methods	3.29
19	Familiarization with the Occupational Safety and Health Act	3.25

competencies were perceived as very important in the retail industry. These competencies and their means were:

- 2. Understanding the basic steps involved in starting a small business (4.27)
- 17. General knowledge of the total business or industry which is being entered (4.26)
- 7. Ability to determine causes for failure of similar small businesses (4.12)
- 15. Awareness of the existence and appropriate use of professional consultants (4.05)

Sixteen of the nineteen competencies received a rating over 3.00 and were considered important for retail ownership. The three competencies that received a rating of less than 3.00 and perceived as somewhat important were:

- 18. Familiarity with various manufacturing and production methods (2.95)
- 4. Understanding the development of organizational structure (2.89)
- 14. Familiarization with the Occupational Safety and Health Act (2.76)

Table 20 indicates the general competencies and their means in rank order by retail business owners.

Service and Retail Entrepreneurs

When the responses of service and retail entrepreneurs were combined, all 19 general competencies received a rating of more than 3.00 and were thus considered important for business ownership. The means for the combined industrial areas ranged from a high of 4.47 to a low of 3.07. Table 21 lists the general competencies and their means in rank order by service and retail entrepreneurs combined.

TABLE 20
GENERAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Retail Entrepreneurs)

Rank	General Competency	Statistical Mean
1	Understanding the basic steps involved in starting a small business	4.27
2	General knowledge of the total business or industry which is being entered	4.26
3	Ability to determine causes for failure of similar small businesses	4.12
4	Awareness of the existence and appropriate use of professional consultants	4.05
5	Understanding of federal and state regulations	3.95
6	Ability to determine sources of capital	3.83
7	Understanding of factors involved in the decision to grant credit	3.73
8	Understanding various types of insurance and the application of each type	3.68
9	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.65
10	Ability to assess facilities and equipment required	3.61
11	Knowledge of various types of ownership	3.39
12	Understanding the various terms of occupancy	3.38
13	Knowledge of building and space utilization	3.35
14	Knowledge of business law and the Uniform Commercial Code	3.32
15	Awareness of facilities available for supplying information on starting a small business	3.31
16	Familiarization with purchasing of fixtures, equipment, and furnishings	3.15
17	Familiarity with various manufacturing and production methods	2.95
18	Understanding the development of organizational structure	2.89
19	Familiarization with the Occupational Safety and Health Act	2.76

TABLE 21
GENERAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Service and Retail Entrepreneurs)

Rank	General Competency	Statistical Mean
1	General knowledge of the total business or industry which is being entered	4.47
2	Understanding the basic steps involved in starting a small business	4.34
3	Awareness of the existence and appropriate use of professional consultants	4.20
4	Ability to determine sources of capital	4.17
5	Understanding of federal and state regulations	4.13
6	Ability to determine causes for failure of similar small businesses	4.12
7	Understanding of factors involved in the decision to grant credit	3.91
8	Ability to assess facilities and equipment required	3.91
9	Understanding various types of insurance and the application of each type	3.80
10	Knowledge of various types of ownership	3.75
11	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.74
12	Knowledge of business law and the Uniform Commercial Code	3.67
13	Understanding the various terms of occupancy	3.58
14	Awareness of facilities available for supplying information on starting a small business	3.56
15	Knowledge of building and space utilization	3.54
16	Familiarization with purchasing of fixtures, equipment, and furnishings	3.43
17	Understanding the development of organizational structure	3.34
18	Familiarity with various manufacturing and production methods	3.16
19	Familiarization with the Occupational Safety and Health Act	3.07

Managerial Competencies

Eighteen competencies were included in the survey instrument to obtain information from business owners concerning their judgments of the importance of managerial understandings and skills.

Service Entrepreneurs

The service owners rated the managerial competencies from a mean high of 4.55 to a low of 3.52. Eleven of the eighteen competencies received a rating over 4.00. All 18 competencies were rated above 3.00 and were thus considered important for business ownership. The three managerial competencies receiving the highest ratings were:

20. Ability to use oral and written communication skills (4.55)
28. Understanding of the importance of time management and job demands (4.51)
30. Awareness of factors involved in human relations (4.47)

Table 22 indicates the managerial competencies and their means in rank order by service owners.

Retail Entrepreneurs

Again, as in the ratings of the general competencies, retail entrepreneurs did not rate the managerial competencies as high as did the service owners. The means for the retail industry ranged from a high of 4.38 to a low of 2.97. Nine, exactly half, of the competencies received a rating above 4.00 and were thus perceived as very important to business ownership.

TABLE 22
MANAGERIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS

(Service Entrepreneurs)

Rank	Managerial Competency	Statistical Mean
1	Ability to use oral and written communication skills	4.55
2	Understanding of the importance of time management and job demands	4.51
3	Awareness of factors involved in human relations	4.47
4	Ability to self-evaluate personal skills, knowledges, and abilities	4.37
5	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.37
6	Understanding the components of short- and long-range planning	4.37
7	Ability to appraise employee performance	4.21
8	Knowledge of employee training and development	4.19
9	Familiarity with interviewing, hiring, and firing of employees	4.14
10	Realization of the impact of job demands on home and family	4.14
11	Familiarity with factors involved in overhead control	4.10
12	Ability to realistically determine personal salary	3.97
13	Familiarity with methods for conducting efficient, effective meetings	3.82
14	Knowledge of steps in determining employee wages and benefits	3.80
15	Knowledge of inventory control and turnover	3.74
16	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	3.72
17	Knowledge of unemployment and workmen's compensation	3.57
18	Knowledge of labor relations	3.52

The three managerial competencies receiving the highest ratings from retail owners were:

- 29. Realization of the impact of job demands on home and family (4.38)
- 25. Knowledge of inventory control and turnover (4.33)
- 20. Ability to use oral and written communication skills (4.32)

Seventeen of the eighteen competencies received ratings above 3.00 and were thus considered important by retail owners. The one competency receiving a rating below 3.00 was:

- 21. Familiarity with methods for conducting efficient, effective meetings (2.97)

Table 23 lists the managerial competencies and their means in rank order by retail entrepreneurs.

Service and Retail Entrepreneurs

All 18 managerial competencies were perceived as important by responses of service and retail owners combined. Combined means ranged from a high of 4.48 to a low of 3.37. Over half, ten, of the competencies received combined ratings above 4.00 and were thus considered very important for business ownership. Table 24 reports the combined means and managerial competencies in rank order.

Marketing and Sales Competencies

Ten competencies comprised the Marketing and Sales category on the questionnaire. Business owners rated the importance of each competency based on their experiences in business.

TABLE 23
MANAGERIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS

(Retail Entrepreneurs)

Rank	Managerial Competency	Statistical Mean
1	Realization of the impact of job demands on home and family	4.38
2	Knowledge of inventory control and turn-over	4.33
3	Ability to use oral and written communication skills	4.32
4	Ability to self-evaluate personal skills, knowledges, and abilities	4.22
5	Familiarity with factors involved in overhead control	4.17
6	Understanding of the importance of time management and job demands	4.15
7	Awareness of factors involved in human relations	4.11
8	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.11
9	Understanding the components of short- and long-range planning	4.03
10	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	4.00
11	Ability to realistically determine personal salary	3.71
12	Ability to appraise employee performance	3.69
13	Knowledge of employee training and development	3.69
14	Familiarity with interviewing, hiring, and firing of employees	3.60
15	Knowledge of steps in determining employee wages and benefits	3.47
16	Knowledge of labor relations	3.06
17	Knowledge of unemployment and workmen's compensation	3.06
18	Familiarity with methods for conducting efficient, effective meetings	2.97

TABLE 24
MANAGERIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS

(Service and Retail Entrepreneurs)

Rank	Managerial Competency	Statistical Mean
1	Ability to use oral and written communication skills	4.48
2	Understanding of the importance of time management and job demands	4.39
3	Awareness of factors involved in human relations	4.35
4	Ability to self-evaluate personal skills, knowledges, and abilities	4.32
5	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.28
6	Understanding the components of short- and long-range planning	4.25
7	Realization of the impact of job demands on home and family	4.22
8	Familiarity with factors involved in overhead control	4.13
9	Ability to appraise employee performance	4.03
10	Knowledge of employee training and development	4.02
11	Knowledge of inventory control and turnover	3.95
12	Familiarity with interviewing, hiring, and firing of employees	3.95
13	Ability to realistically determine personal salary	3.88
14	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	3.82
15	Knowledge of steps in determining employee wages and benefits	3.69
16	Familiarity with methods for conducting efficient, effective meetings	3.53
17	Knowledge of unemployment and workmen's compensation	3.39
18	Knowledge of labor relations	3.37

Service Entrepreneurs

The women business owners in the service industry rated the ten marketing and sales competencies from a mean high of 4.80 to a mean low of 3.41. Overall, the Marketing and Sales area received the highest mean average rating of the four categories of competencies. Eight of the ten competencies received a rating over 4.00. The two marketing and sales competencies receiving the highest rating were:

- 45. Knowledge of customers' needs (4.80)
- 41. Familiarity with budgeting and forecasting (4.34)

Only two competencies were rated below 4.00. These competencies were:

- 38. Knowledge of seasonal fluctuations (3.92)
- 43. Ability to determine availability of goods, raw materials, shipping, and storage (3.41)

The above two competencies, even though receiving the lowest ratings of the ten marketing and sales competencies, were still perceived as important as their means were above 3.00. Table 25 lists the marketing and sales competencies and their means in rank order by service entrepreneurs.

Retail Entrepreneurs

Retail business owners rated the ten marketing and sales competencies from a mean high of 4.68 to a mean low of 3.62. The retail area paralleled the service industry by rating the Marketing and Sales category with the highest mean average of the four categories of entrepreneurial

TABLE 25
 MARKETING AND SALES COMPETENCIES IN RANK ORDER
 BY STATISTICAL MEANS
 (Service Entrepreneurs)

Rank	Marketing and Sales Competency	Statistical Mean
1	Knowledge of customers' needs	4.80
2	Familiarity with budgeting and forecasting	4.34
3	Ability to determine and interpret factors which indicate extent and strength of competition	4.29
4	Ability to determine current and future trends in the product market	4.28
5	Familiarity with various aspects of sales and sales techniques	4.23
6	General knowledge of advertising	4.20
7	Knowledge of low-cost advertising and mass advertising	4.12
8	Ability to determine the extent of the product market	4.06
9	Knowledge of seasonal fluctuations	3.92
10	Ability to determine availability of goods, raw materials, shipping, and storage	3.41

competencies. Five of the ten competencies received ratings over 4.00. The two competencies receiving the highest mean ratings were:

- 45. Knowledge of customers' needs (4.68)
- 41. Familiarity with budgeting and forecasting (4.20)

The remaining five marketing and sales competencies were rated below 4.00 but above 3.00 and were thus considered

important for business ownership. The two competencies receiving the lowest ratings were:

44. Ability to determine and interpret factors which indicate extent and strength of competition (3.71)
43. Ability to determine availability of goods, raw materials, shipping, and storage (3.62)

Table 26 indicates the marketing and sales competencies and their means in rank order by retail business owners.

TABLE 26
MARKETING AND SALES COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Retail Entrepreneurs)

Rank	Marketing and Sales Competency	Statistical Mean
1	Knowledge of customers' needs	4.68
2	Familiarity with budgeting and forecasting	4.20
3	General knowledge of advertising	4.13
4	Familiarity with various aspects of sales and sales techniques	4.09
5	Knowledge of low-cost advertising and mass advertising	4.08
6	Knowledge of seasonal fluctuations	3.97
7	Ability to determine the extent of the product market	3.91
8	Ability to determine current and future trends in the product market	3.89
9	Ability to determine and interpret factors which indicate extent and strength of competition	3.71
10	Ability to determine availability of goods, raw materials, shipping, and storage	3.62

Service and Retail Entrepreneurs

All ten of the marketing and sales competencies were perceived as important by responses of service and retail business owners combined. The combined means ranged from a high of 4.75 to a low of 3.49. Eight of the ten competencies received combined ratings over 4.00 and were thus considered very important for business ownership. Table 27 reports in rank order the combined means of marketing and sales competencies.

Accounting and Financial Competencies

Nine competencies were included on the survey instrument to obtain information from entrepreneurs concerning their judgments of the importance of accounting and financial understandings and skills.

Service Entrepreneurs

Women entrepreneurs in the service industry rated the nine accounting and financial competencies from a mean high of 4.50 to a mean low of 3.50. Six of the nine competencies received a rating above 4.00 and were thus considered very important for business ownership. The three accounting and financial competencies receiving the highest ratings of importance by women service entrepreneurs were:

- 48. Knowledge of accounts receivable and accounts payable (4.50)
- 50. Ability to interpret financial statements (4.45)
- 53. Knowledge of components of gross and net profit (4.33)

TABLE 27
MARKETING AND SALES COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS

(Service and Retail Entrepreneurs)

Rank	Marketing and Sales Competency	Statistical Mean
1	Knowledge of customers' needs	4.75
2	Familiarity with budgeting and forecasting	4.29
3	Familiarity with various aspects of sales and sales techniques	4.18
4	General knowledge of advertising	4.17
5	Ability to determine current and future trends in the product market	4.14
6	Knowledge of low-cost advertising and mass advertising	4.11
7	Ability to determine and interpret factors which indicate extent and strength of competition	4.07
8	Ability to determine the extent of the product market	4.01
9	Knowledge of seasonal fluctuations	3.94
10	Ability to determine availability of goods, raw materials, shipping, and storage	3.49

Only three of the nine competencies received a mean rating below 4.00. These were:

- 52. Understanding of payroll and various deductions (3.98)
- 51. Mastery of skills necessary to prepare financial statements (3.77)
- 55. Ability to determine and compute trade and cash discounts (3.50)

The three accounting and financial competencies receiving the lowest ratings were perceived as important by service owners as their means were above 3.00. Table 28 lists the accounting and financial competencies and their means in rank order by service entrepreneurs.

TABLE 28
ACCOUNTING AND FINANCIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Service Entrepreneurs)

Rank	Accounting and Financial Competency	Statistical Mean
1	Knowledge of accounts receivable and accounts payable	4.50
2	Ability to interpret financial statements	4.45
3	Knowledge of components of gross and net profit	4.33
4	Knowledge of cost accounting	4.29
5	Familiarity with federal, state, and local taxes	4.17
6	Understanding various methods of obtaining credit	4.11
7	Understanding of payroll and various deductions	3.98
8	Mastery of skills necessary to prepare financial statements	3.77
9	Ability to determine and compute trade and cash discounts	3.50

Retail Entrepreneurs

The retail owners rated the nine accounting and financial competencies from a mean high of 4.42 to a mean low of 3.54. Four of the nine competencies received a rating above 4.00 and were thus considered very important. These were:

- 56. Familiarity with federal, state, and local taxes (4.42)
- 48. Knowledge of accounts receivable and accounts payable (4.37)
- 53. Knowledge of components of gross and net profit (4.24)
- 50. Ability to interpret financial statements (4.21)

The remaining five competencies received a rating above 3.00 and were thus considered important for retail business ownership. Table 29 indicates in rank order the accounting and financial competencies and their means as rated by retail owners.

Service and Retail Entrepreneurs

Service and retail business owners had a combined mean high of 4.45 to a combined mean low of 3.56 in rating the nine accounting and financial competencies. Five of the competencies received a combined rating above 4.00 and were thus considered very important for business ownership. The remaining four competencies received ratings below 4.00 but above 3.00 and were thus considered important for business ownership. Table 30 reports in rank order the combined means of accounting and financial competencies.

TABLE 29
ACCOUNTING AND FINANCIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS
(Retail Entrepreneurs)

Rank	Accounting and Financial Competency	Statistical Mean
1	Familiarity with federal, state, and local taxes	4.42
2	Knowledge of accounts receivable and accounts payable	4.37
3	Knowledge of components of gross and net profit	4.24
4	Ability to interpret financial statements	4.21
5	Knowledge of cost accounting	3.97
6	Understanding of payroll and various deductions	3.81
7	Understanding various methods of obtaining credit	3.70
8	Ability to determine and compute trade and cash discounts	3.68
9	Mastery of skills necessary to prepare financial statements	3.54

Combined Entrepreneurial Competencies

In order to view the four categories--General Competencies, Managerial Competencies, Marketing and Sales Competencies, and Accounting and Financial Competencies--as one unit, all 56 competencies were combined and analyzed as a group. Results of this grouping are reported in three categories--service entrepreneurs, retail entrepreneurs, and service and retail entrepreneurs combined.

TABLE 30
ACCOUNTING AND FINANCIAL COMPETENCIES IN RANK ORDER
BY STATISTICAL MEANS

(Service and Retail Entrepreneurs)

Rank	Accounting and Financial Competency	Statistical Mean
1	Knowledge of accounts receivable and accounts payable	4.45
2	Ability to interpret financial statements	4.37
3	Knowledge of components of gross and net profit	4.30
4	Familiarity with federal, state, and local taxes	4.26
5	Knowledge of cost accounting	4.18
6	Understanding various methods of obtaining credit	3.96
7	Understanding of payroll and various deductions	3.92
8	Mastery of skills necessary to prepare financial statements	3.69
9	Ability to determine and compute trade and cash discounts	3.56

Service Entrepreneurs

Women in the service industry rated the 56 entrepreneurial competencies from a mean high of 4.80 to a mean low of 3.25. The mean average for the 56 competencies was 4.05. Thirty-three of the competencies received a mean rating above 4.00 and were thus considered very important by the service area for business ownership. The three competencies receiving the highest ratings were:

- 45. Knowledge of customers' needs (4.80)
- 17. General knowledge of the total business or industry which is being entered (4.59)
- 20. Ability to use oral and written communication skills (4.55)

Twenty-three competencies were rated below 4.00 but above 3.00 and were thus considered important for service business ownership. The three competencies receiving the lowest ratings were:

- 43. Ability to determine availability of goods, raw materials, shipping, and storage (3.41)
- 18. Familiarity with various manufacturing and production methods (3.29)
- 14. Familiarization with the Occupational Safety and Health Act (3.25)

Table 31 lists in rank order the 56 competencies and their means as rated by service entrepreneurs.

Retail Entrepreneurs

The retail business owners rated the 56 entrepreneurial competencies from a mean high of 4.68 to a mean low of 2.76. The mean average for the 56 competencies was 3.80 which was lower than the service mean average of 4.05. Twenty-two of the competencies received a mean rating above 4.00 and were thus considered very important for retail business ownership. The three competencies receiving the highest ratings were:

- 45. Knowledge of customers' needs (4.68)
- 56. Familiarity with federal, state, and local taxes (4.42)
- 29. Realization of the impact of job demands on home and family (4.38)

Thirty competencies received a mean rating of 4.00 to 3.00 and were thus considered important for retail business

TABLE 31
 COMBINED ENTREPRENEURIAL COMPETENCIES IN
 RANK ORDER BY STATISTICAL MEANS

(Service Entrepreneurs)

Rank	Competency	Statistical Mean
1	Knowledge of customers' needs	4.80
2	General knowledge of the total business or industry which is being entered	4.59
3	Ability to use oral and written communication skills	4.55
4	Understanding of the importance of time management and job demands	4.51
5	Knowledge of accounts receivable and accounts payable	4.50
6	Awareness of factors involved in human relations	4.47
7	Ability to interpret financial statements	4.45
8	Understanding the basic steps involved in starting a small business	4.37
9	Ability to self-evaluate personal skills, knowledges, and abilities	4.37
10	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.37
11	Understanding the components of short- and long-range planning	4.37
12	Ability to determine sources of capital	4.34
13	Familiarity with budgeting and forecasting	4.34
14	Knowledge of components of gross and net profit	4.33
15	Ability to determine and interpret factors which indicate extent and strength of competition	4.29
16	Knowledge of cost accounting	4.29
17	Ability to determine current and future trends in the product market	4.28
18	Awareness of the existence and appropriate use of professional consultants	4.28
19	Familiarity with various aspects of sales and sales techniques	4.23

TABLE 31--Continued

Rank	Competency	Statistical Mean
20	Understanding of federal and state regulations	4.22
21	Ability to appraise employee performance	4.21
22	General knowledge of advertising	4.20
23	Knowledge of employee training and development	4.19
24	Familiarity with federal, state, and local taxes	4.17
25	Familiarity with interviewing, hiring, and firing of employees	4.14
26	Realization of the impact of job demands on home and family	4.14
27	Ability to determine causes for failure of similar small businesses	4.12
28	Knowledge of low-cost advertising and mass advertising	4.12
29	Understanding various methods of obtaining credit	4.11
30	Familiarity with factors involved in overhead control	4.10
31	Ability to assess facilities and equipment required	4.07
32	Ability to determine the extent of the product market	4.06
33	Understanding of factors involved in the decision to grant credit	4.01
34	Understanding of payroll and various deductions	3.98
35	Ability to realistically determine personal salary	3.97
36	Knowledge of various types of ownership	3.96
37	Knowledge of seasonal fluctuations	3.92
38	Understanding various types of insurance and the application of each type	3.88
39	Knowledge of business law and the Uniform Commercial Code	3.86
40	Familiarity with methods for conducting efficient, effective meetings	3.82
41	Knowledge of steps in determining employee wages and benefits	3.80
42	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.79

TABLE 31--Continued

Rank	Competency	Statistical Mean
43	Mastery of skills necessary to prepare financial statements	3.77
44	Knowledge of inventory control and turnover	3.74
45	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	3.72
46	Awareness of facilities available for supplying information on starting a small business	3.70
47	Understanding the various terms of occupancy	3.70
48	Knowledge of building and space utilization	3.65
49	Familiarization with purchasing of fixtures, equipment, and furnishings	3.58
50	Understanding the development of organizational structure	3.58
51	Knowledge of unemployment and workmen's compensation	3.57
52	Knowledge of labor relations	3.52
53	Ability to determine and compute trade and cash discounts	3.50
54	Ability to determine availability of goods, raw materials, shipping, and storage	3.41
55	Familiarity with various manufacturing and production methods	3.29
56	Familiarization with the Occupational Safety and Health Act	3.25

ownership. Four competencies received a mean rating between 3.00 and 2.00 and were thus considered somewhat important for retail business ownership. These competencies were:

21. Familiarity with methods for conducting efficient, effective meetings (2.97)
18. Familiarity with various manufacturing and production methods (2.95)

- 4. Understanding the development of organizational structure (2.89)
- 14. Familiarization with the Occupational Safety and Health Act (2.76)

Table 32 indicates in rank order the 56 competencies and their means as rated by retail business owners.

Service and Retail Entrepreneurs

Service and retail business owners had a combined mean high of 4.75 and a combined mean low of 3.07 for all 56 entrepreneurial competencies. The combined mean average for the 56 competencies was 3.96. Twenty-nine competencies received a mean rating above 4.00 and were thus considered very important for business ownership. The three competencies receiving the highest combined ratings were:

- 45. Knowledge of customers' needs (4.75)
- 20. Ability to use oral and written communication skills (4.48)
- 17. General knowledge of the total business or industry which is being entered (4.47)

Twenty-seven competencies received a mean rating between 4.00 and 3.00 and were thus considered important for business ownership. The three competencies receiving the lowest combined mean ratings were:

- 4. Understanding the development of organizational structure (3.34)
- 18. Familiarity with various manufacturing and production methods (3.16)
- 14. Familiarization with the Occupational Safety and Health Act (3.07)

Table 33 lists in rank order the 56 competencies and their means as rated by service and retail entrepreneurs combined.

TABLE 32
 COMBINED ENTREPRENEURIAL COMPETENCIES IN
 RANK ORDER BY STATISTICAL MEANS
 (Retail Entrepreneurs)

Rank	Competency	Statistical Mean
1	Knowledge of customers' needs	4.68
2	Familiarity with federal, state, and local taxes	4.42
3	Realization of the impact of job demands on home and family	4.38
4	Knowledge of accounts receivable and accounts payable	4.37
5	Knowledge of inventory control and turnover	4.33
6	Ability to use oral and written communication skills	4.32
7	Understanding the basic steps involved in starting a small business	4.27
8	General knowledge of the total business or industry which is being entered	4.26
9	Knowledge of components of gross and net profit	4.24
10	Ability to self-evaluate personal skills, knowledges, and abilities	4.22
11	Ability to interpret financial statements	4.21
12	Familiarity with budgeting and forecasting	4.20
13	Familiarity with factors involved in overhead control	4.17
14	Understanding of the importance of time management and job demands	4.15
15	General knowledge of advertising	4.13
16	Ability to determine causes for failure of similar small businesses	4.12
17	Awareness of factors involved in human relations	4.11
18	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.11
19	Familiarity with various aspects of sales and sales techniques	4.09

TABLE 32--Continued

Rank	Competency	Statistical Mean
20	Knowledge of low-cost advertising and mass advertising	4.08
21	Awareness of the existence and appropriate use of professional consultants	4.05
22	Understanding the components of short- and long-range planning	4.03
23	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	4.00
24	Knowledge of seasonal fluctuations	3.97
25	Knowledge of cost accounting	3.97
26	Understanding of federal and state regulations	3.95
27	Ability to determine the extent of the product market	3.91
28	Ability to determine current and future trends in the product market	3.89
29	Ability to determine sources of capital	3.83
30	Understanding of payroll and various deductions	3.81
31	Understanding of factors involved in the decision to grant credit	3.73
32	Ability to realistically determine personal salary	3.71
33	Ability to determine and interpret factors which indicate extent and strength of competition	3.71
34	Understanding various methods of obtaining credit	3.70
35	Ability to appraise employee performance	3.69
36	Knowledge of employee training and development	3.69
37	Understanding various types of insurance and the application of each type	3.68
38	Ability to determine and compute trade and cash discounts	3.68
39	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.65
40	Ability to determine availability of goods, raw materials, shipping, and storage	3.62

TABLE 32--Continued

Rank	Competency	Statistical Mean
41	Ability to assess facilities and equipment required	3.61
42	Ability to determine current and future trends in the product market	3.60
43	Mastery of skills necessary to prepare financial statements	3.54
44	Knowledge of steps in determining employee wages and benefits	
45	Knowledge of various types of ownership	3.39
46	Understanding the various terms of occupancy	3.38
47	Knowledge of building and space utilization	3.35
48	Knowledge of business law and the Uniform Commercial Code	3.32
49	Awareness of facilities available for supplying information on starting a small business	3.31
50	Familiarization with purchasing of fixtures, equipment, and furnishings	3.15
51	Knowledge of labor relations	3.06
52	Knowledge of unemployment and workmen's compensation	3.06
53	Familiarity with methods for conducting efficient, effective meetings	2.97
54	Familiarity with various manufacturing and production methods	2.95
55	Understanding the development of organizational structure	2.89
56	Familiarization with the Occupational Safety and Health Act	2.76

TABLE 33
 COMBINED ENTREPRENEURIAL COMPETENCIES IN
 RANK ORDER BY STATISTICAL MEANS
 (Service and Retail Entrepreneurs)

Rank	Competency	Statistical Mean
1	Knowledge of customers' needs	4.75
2	Ability to use oral and written communication skills	4.48
3	General knowledge of the total business or industry which is being entered	4.47
4	Knowledge of accounts receivable and accounts payable	4.45
5	Understanding of the importance of time management and job demands	4.39
6	Ability to interpret financial statements	4.37
7	Awareness of factors involved in human relations	4.35
8	Understanding the basic steps involved in starting a small business	4.34
9	Ability to self-evaluate personal skills, knowledges, and abilities	4.32
10	Knowledge of components of gross and net profit	4.30
11	Familiarity with budgeting and forecasting	4.29
12	Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	4.28
13	Familiarity with federal, state, and local taxes	4.26
14	Understanding the components of short- and long-range planning	4.25
15	Realization of the impact of job demands on home and family	4.22
16	Awareness of the existence and appropriate use of professional consultants	4.20
17	Familiarity with various aspects of sales and sales techniques	4.18
18	Knowledge of cost accounting	4.18
19	Ability to determine sources of capital	4.17

TABLE 33--Continued

Rank	Competency	Statistical Mean
20	General knowledge of advertising	4.17
21	Ability to determine current and future trends in the product market	4.14
22	Understanding of federal and state regulations	4.13
23	Familiarity with factors involved in overhead control	4.13
24	Ability to determine causes for failure of similar small businesses	4.12
25	Knowledge of low-cost advertising and mass advertising	4.11
26	Ability to determine and interpret factors which indicate extent and strength of competition	4.07
27	Ability to appraise employee performance	4.03
28	Knowledge of employee training and development	4.02
29	Ability to determine the extent of the product market	4.01
30	Understanding various methods of obtaining credit	3.96
31	Knowledge of inventory control and turnover	3.95
32	Familiarity with interviewing, hiring, and firing of employees	3.95
33	Knowledge of seasonal fluctuations	3.94
34	Understanding of payroll and various deductions	3.92
35	Understanding of factors involved in the decision to grant credit	3.91
36	Ability to assess facilities and equipment required	3.91
37	Ability to realistically determine personal salary	3.88
38	Knowledge of general purchasing skills--supplies, tools, equipment, etc.	3.82
39	Understanding various types of insurance and the application of each type	3.80
40	Knowledge of various types of ownership	3.75
41	Knowledge of importance of general location--space, parking, traffic flow, and convenience	3.74

TABLE 33--Continued

Rank	Competency	Statistical Mean
42	Knowledge of steps in determining employee wages and benefits	3.69
43	Mastery of skills necessary to prepare financial statements	3.69
44	Knowledge of business law and the Uniform Commercial Code	3.67
45	Understanding the various terms of occupancy	3.58
46	Awareness of facilities available for supplying information on starting a small business	3.56
47	Ability to determine and compute trade and cash discounts	3.54
48	Knowledge of building and space utilization	3.54
49	Familiarity with methods for conducting efficient, effective meetings	3.53
50	Ability to determine availability of goods, raw materials, shipping, and storage	3.49
51	Familiarization with purchasing of fixtures, equipment, and furnishings	3.43
52	Knowledge of unemployment and workmen's compensation	3.39
53	Knowledge of labor relations	3.37
54	Understanding the development of organizational structure	3.34
55	Familiarity with various manufacturing and production methods	3.16
56	Familiarization with the Occupational Safety and Health Act	3.07

Demand for Educational Programs

To gain insight into the level of demand for educational programs stressing entrepreneurial competencies, the women entrepreneurs in both categories of service and retail were asked to respond to each of the competencies as to their willingness to attend a program stressing that particular

competency. Contained in Appendix F are the frequency and percent of response for each competency by service and by retail. The discussion that follows will note the percentage of positive responses of service owners and retail owners for participating in educational programs.

Service Entrepreneurs

At least half of the service entrepreneurs responding to the question, "Would you attend an educational program?" gave a positive answer to 12 of the 56 competencies. The three competencies which rated the highest in the demand for educational programs were:

- 20. Ability to use oral and written communication skills (60.9 percent)
- 7. Ability to determine causes for failure of similar small businesses (59.4 percent)
- 26. Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating (58.1 percent)

Twenty of the competencies received positive responses by 40.0 percent to 49.9 percent of the service respondents. Only one competency received less than a 20.0 percent favorable reply. This competency was:

- 5. Understanding the various terms of occupancy (19.0 percent)

Table 34 lists by competency numbers the service entrepreneurs' demand for education for each of the 56 competencies.

Retail Entrepreneurs

Almost half, 27 competencies, received a positive response to demand for educational programs by 50.0 percent

TABLE 34
SERVICE DEMAND FOR ENTREPRENEURIAL EDUCATION
Competencies by Percentage of "Yes" Responses

<u>50.0% and Above</u>		<u>40.0% - 49.9%</u>		<u>30.0% - 39.9%</u>		<u>20.0% - 29.9%</u>		<u>Less than 20.0%</u>
<u>Entrepreneurial Competencies*</u>	7 47	1 36	3 51	6 55	5			
	10 50	2 37	4 53	14				
	12	8 40	9	19				
	15	13 41	11	23				
	17	16 42	18	29				
	20	21 44	25	31				
	22	24 48	32	35				
	26	27 49	33	38				
	45	28 54	34	43				
	46	30 56	39	52				

*See Appendix A for complete listing of entrepreneurial competency descriptions by corresponding numbers.

or more of the retail respondents. The three competencies which rated the highest in the demand for educational programs were:

- 46. General knowledge of advertising (71.9 percent)
- 27. Ability to self-evaluate personal skills, knowledges, and abilities (66.7 percent)
- 28. Understanding of the importance of time management and job demands (66.7 percent)

Eight of the competencies received favorable responses by 40.0 percent to 49.9 percent of the retail respondents. Only two competencies received less than a 20.0 percent positive reply. These competencies were:

- 14. Familiarization with the Occupational Safety and Health Act (19.4 percent)
- 34. Knowledge of labor relations (19.4 percent)

Table 35 indicates by competency numbers the retail entrepreneurs' demand for education for each of the 56 competencies.

Attendance in Past Educational Programs

To assess the frequency of participation in entrepreneurial education, the women business owners were asked to respond to each of the competencies as to whether the responding entrepreneurs had attended an educational program or activity for that particular competency. Contained in Appendix F are the frequency and percent of response for each competency by service and by retail. The discussion that follows notes the percentage of positive responses by service owners who have participated in educational activities in the past.

TABLE 35

RETAIL DEMAND FOR ENTREPRENEURIAL EDUCATION

Competencies by Percentage of "Yes" Responses

	<u>50.0% and Above</u>	<u>40.0% - 49.9%</u>	<u>30.0% - 39.9%</u>	<u>20.0% - 29.9%</u>	<u>Less than 20.0%</u>
<u>Entrepreneurial Competencies*</u>	7 30	8	1 53	6	14
	10 32	13	2 54	43	34
	11 37	20	3 55		
	12 38	31	4		
	15 39	33	5		
	16 40	36	9		
	17 41	49	18		
	22 42	56	19		
	24 44		21		
	25 45		23		
	26 46		35		
	27 47		48		
	28 50		51		
	29		52		

*See Appendix A for complete listing of entrepreneurial competency descriptions by corresponding numbers.

Service Entrepreneurs

At least half of the service owners responding to the question, "Have you previously attended an educational program?" gave a positive reply to 5 of the 56 competencies.

These competencies were:

- 20. Ability to use oral and written communication skills (60.3 percent)
- 17. General knowledge of the total business or industry which is being entered (50.8 percent)
- 40. Familiarity with various aspects of sales and sales techniques (50.8 percent)
- 48. Knowledge of accounts receivable and accounts payable (50.0 percent)
- 50. Ability to interpret financial statements (50.0 percent)

Fourteen competencies received favorable responses by 40.0 percent to 49.9 percent of the service respondents. Only nine competencies received positive replies by less than 20.0 percent of the service respondents. Table 36 lists by competency numbers the service attendance in entrepreneurial education by each of the 56 competencies.

Retail Entrepreneurs

None of the competencies received a 50.0 percent or above retail attendance in past educational activities. Only six competencies received a 40.0 percent to 49.9 percent retail attendance in past educational programs. The six competencies having the highest percentage of retail attendance in educational activities were:

- 20. Ability to use oral and written communication skills (46.7 percent)

TABLE 36
SERVICE ATTENDANCE IN ENTREPRENEURIAL EDUCATION
Competencies by Percentage of "Yes" Responses

<u>50.0% and Above</u>		<u>40.0% - 49.9%</u>		<u>30.0% - 39.9%</u>		<u>20.0% - 29.9%</u>		<u>Less than 20.0%</u>
Entrepreneurial Competencies*	17	1	45	2	27	3	47	6
	20	15	49	4	32	5	55	8
	40	21	51	10	33	7		9
	48	22	53	11	37	16		14
	50	23	56	12	42	29		19
		26		13	46	31		34
		28		18	52	38		35
		30		24	54	39		36
		41		25		44		43

*See Appendix A for complete listing of entrepreneurial competency descriptions by corresponding numbers.

2. Understanding the basic steps involved in starting a small business (43.8 percent)
50. Ability to interpret financial statements (43.8 percent)
40. Familiarity with various aspects of sales and sales techniques (41.9 percent)
26. Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating (40.0 percent)
30. Awareness of factors involved in human relations (40.0 percent)

Twenty competencies received positive replies to past attendance by less than 20.0 percent of the retail respondents. Table 37 indicates by competency numbers the retail attendance in entrepreneurial education by each of the 56 competencies.

Summary

Chapter IV has presented the results of the study collected through a survey of women entrepreneurs in selected service and retail businesses in Kansas. Statistical analyses of the data collected were presented, as well as the demographic characteristics of the survey respondents and their businesses.

Statistical analyses utilizing the chi-square and median tests revealed the entrepreneurial competencies where significant differences occurred between the service and retail respondents. Analyses of the rankings of importance for success in business of the entrepreneurial competencies were presented in five groups--General Competencies, Managerial Competencies, Marketing and Sales Competencies, Accounting and

TABLE 37
RETAIL ATTENDANCE IN ENTREPRENEURIAL EDUCATION
Competencies by Percentage of "Yes" Responses

<u>50.0% and Above</u>		<u>40.0% - 49.9%</u>		<u>30.0% - 39.9%</u>		<u>20.0% - 29.9%</u>		<u>Less than 20.0%</u>	
<u>Entrepreneurial Competencies*</u>	None	2	1	41	4	45	5	31	
		20	3	46	7	49	6	34	
		26	15	47	10	52	8	35	
		30	17	48	12	54	9	36	
		40	21	53	18	56	11	38	
		50	22		25		13	39	
			24		28		14	43	
			27		29		16	44	
			32		37		19	51	
			33		42		23	55	

*See Appendix A for complete listing of entrepreneurial competency descriptions by corresponding numbers.

Financial Competencies, and Combined Entrepreneurial Competencies. Analysis of each entrepreneurial competency was reported by use of a statistical mean generated from responses of three groups--service entrepreneurs, retail entrepreneurs, and service and retail entrepreneurs combined.

The demand for educational activities stressing entrepreneurial competencies was presented by responses of service owners and by retail owners. In addition, the frequency of past participation in entrepreneurial education was discussed by percentage of positive responses by service respondents and by retail respondents.

Conclusions were drawn from the results of this study to aid in developing educational programs for women entrepreneurs. These conclusions are presented in the following chapter. Also included in Chapter V are a summary of the study and recommendations for further research in entrepreneurial education.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The following summary, conclusions, and recommendations resulted from a study to determine the selected entrepreneurial competencies most needed by women for successful business management of privately owned businesses. The intent of the study was to provide guidance to business educators charged with the task of developing curriculum materials specifically geared toward the needs of potential or existing women entrepreneurs.

Summary

The small business entrepreneur performs an important role in influencing the success of the U.S. economy.¹ Yet, many small businesses do not survive their early years of existence as noted in current literature indicating the high failure rate of businesses.

The majority of entrepreneurial studies which have been done previously deal exclusively with male business

¹Pickle, Small Business Management, pp. 4-5.

owners. Yet, recent government statistics indicate that women are entering the ranks of the self-employed at a rate three times as great as men.¹

Recognizing the increasing role of women in business to the economy, the Carter administration commissioned a Task Force study to help in identifying some of the special needs of women entrepreneurs. This study revealed that a major cause of business failure was the lack of management skills; yet, few opportunities to gain these skills have been available to women.² To increase the probability for success in business, women need proper business management training.³

Hence, the problem of the study was to determine the selected entrepreneurial competencies most needed by women for successful business management of privately owned small businesses. A secondary problem was to ascertain the demand for educational programs in developing needed entrepreneurial competencies. The primary purpose of the study was to form a meaningful basis from which educational materials could be developed based on actual needs and desires of female entrepreneurs.

An extensive search of the literature identified selected competencies needed for success in business. However,

¹U.S., The Bottom Line, p. 31.

²Ibid., p. 49.

³U.S., Economic Research on Small Business, p. 168.

no study could be found relating the views of self-employed women toward the importance of entrepreneurial competencies.

Procedures

In order to determine the competencies most needed by women entrepreneurs, the judgments of current women business owners were sought. For this purpose a survey instrument comprised of selected entrepreneurial competencies was developed. A number of questions relating to the respondent and her business were included on the questionnaire as little current literature focuses on the woman entrepreneur.

Women business owners in service and retail industries in Kansas were included in the study. The population was confined to the service and retail areas because statistics indicate that 75 percent of all women-owned firms are concentrated in these two industrial classifications. For the purpose of this study, a woman business owner is defined as owning, controlling, and operating at least 51 percent of the business.

Of the 125 women business owners in Kansas comprising the study sample, 106 respondents returned usable questionnaires for an 84.8 percent return rate. The design of the survey instrument required a response to a 5-point scale ranging from "very important" (5) to "no importance" (1) to determine entrepreneurial competency importance. In addition, respondents were asked to respond either "yes" or "no" to whether they would attend an educational program for each

competency, and whether they had previously attended an educational program for each competency.

In order to test the hypothesis, analyzing the difference between service and retail businesses in the importance of entrepreneurial competencies, the statistical tests chosen were the chi-square test and the median test. The chi-square test identified 11 significant differences at the .05 level of significance between the service and retail areas. The chi-square test differences occurred in the following competencies:

4. Understanding the development of organizational structure
6. Familiarization with purchasing of fixtures, equipment, and furnishings
13. Knowledge of business law and the Uniform Commercial Code
21. Familiarity with methods for conducting efficient, effective meetings
23. Knowledge of general purchasing skills--supplies, tools, equipment, etc.
25. Knowledge of inventory control and turnover
30. Awareness of factors involved in human relations
44. Ability to determine and interpret factors which indicate extent and strength of competition
50. Ability to interpret financial statements
55. Ability to determine and compute trade and cash discounts
56. Familiarity with federal, state, and local taxes

The median test revealed eight significant differences at the .05 level between service and retail businesses. The median test differences were identified in the following competencies:

4. Understanding the development of organizational structure
6. Familiarization with purchasing of fixtures, equipment, and furnishings
13. Knowledge of business law and the Uniform Commercial Code
14. Familiarization with the Occupational Safety and Health Act

- 21. Familiarity with methods for conducting efficient, effective meetings
- 25. Knowledge of inventory control and turnover
- 30. Awareness of factors involved in human relations
- 56. Familiarity with federal, state, and local taxes

Thus, the null hypothesis must be rejected for these specified competencies. There is a significant difference between service and retail businesses in the importance of entrepreneurial competencies for 11 competencies identified by the chi-square test and 8 competencies revealed through the median test.

To analyze the ratings of each competency, statistical means were used to rank the importance of the competency from the highest mean average (5) to the lowest mean average (1). Rank order of the competencies was reported by three groups--service owners, retail owners, and service and retail entrepreneurs combined. In addition, means were reported in rank order in five categories--General Competencies, Managerial Competencies, Marketing and Sales Competencies, Accounting and Financial Competencies, and Combined Entrepreneurial Competencies.

To assess the demand for education stressing entrepreneurial competencies, the percentage of positive responses indicating an interest in educational programs were reported for service owners and for retail owners. To identify the frequency of attendance in past educational activities stressing entrepreneurial competencies, the percentage of positive responses were noted for service entrepreneurs and for retail entrepreneurs.

Conclusions and Discussion

Chi-square and median test analyses of the entrepreneurial competencies revealed certain curricular areas which were judged more important for success in business in either service or retail industries. From the tables in Appendices E and G, the following conclusions emerge:

1. Women service entrepreneurs consider understanding the development of organizational structure to be significantly more important than do female retail entrepreneurs. (chi-square and median tests)

2. Women service entrepreneurs consider familiarization with purchasing of fixtures, equipment, and furnishings to be significantly more important than do female retail entrepreneurs. (chi-square and median tests)

3. Women service entrepreneurs consider knowledge of business law and the Uniform Commercial Code to be significantly more important than do female retail entrepreneurs. (chi-square and median tests)

4. Women service entrepreneurs consider a familiarization with the Occupational Safety and Health Act to be significantly more important than do female retail entrepreneurs. (median test)

5. Women service entrepreneurs consider familiarity with methods for conducting efficient, effective meetings to be significantly more important than do female retail entrepreneurs. (chi-square and median tests)

6. Women retail entrepreneurs consider knowledge of general purchasing skills--supplies, tools, equipment, etc. to be significantly more important than do female service entrepreneurs. (chi-square test)

7. Women retail entrepreneurs consider knowledge of inventory control and turnover to be significantly more important than do female service entrepreneurs. (chi-square and median tests)

8. Women service entrepreneurs consider awareness of factors involved in human relations to be significantly more important than do female retail entrepreneurs. (chi-square and median tests)

9. Women service entrepreneurs consider the ability to determine and interpret factors which indicate extent and strength of competition to be significantly more important than do female retail entrepreneurs. (chi-square test)

10. Women retail entrepreneurs consider the ability to interpret financial statements to be significantly more important than do female service entrepreneurs. (chi-square test)

11. Women retail entrepreneurs consider the ability to determine and compute trade and cash discounts to be significantly more important than do female service entrepreneurs. (chi-square test)

12. Women retail entrepreneurs consider familiarity with federal, state, and local taxes to be significantly more important than do female service entrepreneurs. (chi-square and median tests)

Utilizing statistical means, comparisons of competency importance were made between responses of service and retail entrepreneurs. The responses of service and retail business owners were then combined to analyze the competencies from the perspectives of both industrial areas as one group.

General Competencies

Service entrepreneurs perceive the 19 General Competencies to be more important than do retail business owners. Combined responses result in a mean high of 4.47 to a mean low of 3.07. Thus, all of the General Competencies can be said to be of importance to business success. Both service and retail owners agree that the two most important General Competencies are (a) general knowledge of the total business or industry which is being entered, and (b) understanding the basic steps involved in starting a small business.

Managerial Competencies

Service entrepreneurs consider the 18 Managerial Competencies more important than do retail owners. Combined responses result in a mean high of 4.48 to a mean low of 3.37. Thus, all of the Managerial Competencies are perceived as important by business owners. Service and retail respondents

have somewhat differing views as to the three most important Managerial Competencies. Service owners view the following competencies as most important: (a) ability to use oral and written communication skills, (b) understanding of the importance of time management and job demands, and (c) awareness of factors involved in human relations. Retail entrepreneurs judge the following competencies as most important: (a) realization of the impact of job demands on home and family, (b) knowledge of inventory control and turnover, and (c) ability to use oral and written communication skills.

Marketing and Sales Competencies

Service and retail owners report a combined mean high of 4.75 to a mean low of 3.49 for the ten Marketing and Sales Competencies. Thus, all of the Marketing and Sales Competencies are judged as important for business success. Both service and retail respondents consider the Marketing and Sales Competencies the most important of the four categories of entrepreneurial competencies. Service and retail owners agree that the two most important Marketing and Sales Competencies are: (a) knowledge of customers' needs and (b) familiarity with budgeting and forecasting.

Accounting and Financial Competencies

Service and retail entrepreneurs judge all nine competencies as important to business success. The combined mean

responses range from a high of 4.45 to a low of 3.56. Judged as most important by both service and retail owners are: (a) knowledge of accounts receivable and accounts payable, (b) ability to interpret financial statements, and (c) knowledge of components of gross and net profit. In addition, retail entrepreneurs perceive familiarity with federal, state, and local taxes as the single most important Accounting and Financial Competency.

Combined Entrepreneurial Competencies

Viewing the 56 entrepreneurial competencies as one group, service and retail business owners have a combined mean high of 4.75 and a combined mean low of 3.07. Thus, all 56 competencies are judged as important by business owners. The three competencies perceived as most important are: (a) knowledge of customers' needs, (b) ability to use oral and written communication skills, and (c) general knowledge of the total business or industry which is being entered. The extreme importance of the above three competencies was noted in a study by Bettencourt.¹ McQueen, in her study to determine competencies needed by middle managers, found that oral and written communications ranked the highest of all competencies.² Schwartz noted the importance of knowing the business and its

¹Bettencourt, "Competencies," pp. 178-192.

²Harriet Jett McQueen, "Characteristics of Middle Management Positions in Selected Tennessee Industrial Firms," (Ph.D. dissertation, University of Oklahoma, 1978), pp. 76-80.

market extremely well in a study concerning women entrepreneurs.¹

Demand for Educational Programs

Retail entrepreneurs possess a greater desire for education stressing entrepreneurial competencies than do service business owners. Fifty percent or more of the retail respondents expressed a desire to attend educational programs stressing 27 of the 56 competencies. However, further educational opportunities for only 12 competencies are desired by 50 percent or more of the service respondents. The three competencies which rated the highest in the demand for education by retail owners are: (a) ability to use oral and written communication skills, (b) ability to determine causes for failure of similar small businesses, and (c) acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating. The three competencies which rated the highest in the demand for education by service entrepreneurs are: (a) general knowledge of advertising, (b) ability to self-evaluate personal skills, knowledges, and abilities, and (c) understanding of the importance of time management and job demands.

Attendance in Past Educational Programs

Service owners have a greater frequency of past attendance in entrepreneurial education than do retail owners. At

¹Schwartz, "Entrepreneurship," p. 71.

least half of the service respondents have engaged in educational activities for 5 of the 56 competencies. In addition, 40.0 percent to 49.9 percent of the service respondents have received educational training for 14 competencies. In contrast, none of the competencies are noted in past educational activities by 50 percent of the retail respondents. However, 40.0 percent to 49.9 percent of the retail respondents indicate six of the competencies had been stressed in past educational programs.

Service entrepreneurs note most frequently the attendance in educational activities for the following competencies: (a) ability to use oral and written communication skills, (b) general knowledge of the total business or industry which is being entered, (c) familiarity with various aspects of sales and sales techniques, (d) knowledge of accounts receivable and accounts payable, and (e) ability to interpret financial statements.

Retail business owners indicate most frequently the attendance in educational programs for the following competencies: (a) ability to use oral and written communication skills, (b) understanding the basic steps involved in starting a small business, (c) ability to interpret financial statements, (d) familiarity with various aspects of sales and sales techniques, (e) acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating, and (f) awareness of factors involved in human relations.

Recommendations

From this study the following recommendations emerge for curriculum development in entrepreneurial education and for further research in business education related to this study.

Curriculum

Educational programs preparing women for business ownership should be evaluated to determine the extent to which the pre-ownership needs of potential entrepreneurs are being met.

Educational activities preparing women for self-employment should be periodically evaluated to determine the need for the inclusion of topics of instruction which stress the important entrepreneurial competencies in this study. Particular emphasis should be placed on the following competencies: (a) knowledge of customers' needs, (b) ability to use oral and written communication skills, and (c) general knowledge of the total business or industry which is being entered.

Emerging as a competency of prime concern for curriculum review is the ability to use oral and written communication skills. This competency emerged with the highest percentage of participation, for the 56 competencies, in past educational experiences for both service and retail respondents. Service entrepreneurs also rated the communications area with

the highest percentage of demand for educational programs. Although retail owners did not report the communications area as the most desired competency, over 40 percent of the responding retail owners did specify a desire for educational training in the communications area. Perhaps the findings in this study would suggest a particular need to review present curriculum materials in the area of communication skills with regard to meeting the specialized needs of women entrepreneurs.

In addition to the emphasis placed on entrepreneurial competencies, the curriculum should include pertinent information on the role of entrepreneurs and their vital importance to the success of the economy.

Educators and the business community should confer as to the needed components of educational activities designed for small business ownership.

Educational programs or seminars designed to enhance the knowledges and skills of existing women business owners should emphasize the entrepreneurial competencies most needed by the participants. This could be accomplished through a survey of the community being served.

Research

This study should be replicated to determine the importance of entrepreneurial competencies as viewed by both male and female business owners to allow for comparison of the two groups.

Future research should include industrial classifications other than the service and retail areas used in this study to allow for comparisons of other industrial classifications.

This study should be replicated in other geographical locations to determine the importance of entrepreneurial competencies for business ownership in those locations.

Additional studies should be conducted on the special needs or problems faced by women entrepreneurs such as obtaining credit and the capital for the creation and operation of a business. Such studies would enhance the development of entrepreneurial education into the business education curricula.

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APPENDICES

APPENDIX A

ENTREPRENEURIAL COMPETENCIES USED IN STUDY

List of 56 Competencies
Letter of Approval

ENTREPRENEURIAL COMPETENCIES*

General Competencies

1. Knowledge of various types of ownership (proprietorship, partnership, corporation)
2. Understanding the basic steps involved in starting a small business
3. Awareness of facilities available for supplying information on starting a small business (governmental agencies, trade association resources)
4. Understanding the development of organizational structure
5. Understanding the various terms of occupancy
6. Familiarization with purchasing of fixtures, equipment and furnishings
7. Ability to determine causes for failure of similar small businesses
8. Ability to assess facilities and equipment required
9. Knowledge of building and space utilization
10. Ability to determine sources of capital
11. Understanding of factors involved in the decision to grant credit
12. Understanding of federal and state regulations
13. Knowledge of business law and the Uniform Commercial Code
14. Familiarization with the Occupational Safety and Health Act
15. Awareness of the existence and appropriate use of professional consultants (lawyer, banker, accountant, SBA, insurance agent, advertising agent)
16. Understanding various types of insurance and the application of each type
17. General knowledge of the total business or industry which is being entered

18. Familiarity with various manufacturing and production methods
19. Knowledge of importance of general location--space, parking, traffic flow, and convenience

Managerial Competencies

20. Ability to use oral and written communication skills
21. Familiarity with methods for conducting efficient, effective meetings
22. Understanding the components of short and long range planning
23. Knowledge of general purchasing skills--supplies, tools, equipment, etc.
24. Familiarity with factors involved in overhead control
25. Knowledge of inventory control and turnover
26. Acquisition of management and supervisory skills--organizing, controlling, directing, planning and delegation
27. Ability to self-evaluate personal skills, knowledges and abilities
28. Understanding of the importance of time management and job demands
29. Realization of the impact of job demands on home and family
30. Awareness of factors involved in human relations
31. Ability to realistically determine personal salary
32. Knowledge of employee training and development
33. Ability to appraise employee performance
34. Knowledge of labor relations
35. Knowledge of unemployment and workmen's compensation
36. Knowledge of steps in determining employee wages and benefits

37. Familiarity with interviewing, hiring, and firing of employees

Marketing and Sales Competencies

38. Knowledge of seasonal fluctuations
39. Ability to determine the extent of the product market
40. Familiarity with various aspects of sales and sales techniques
41. Familiarity with budgeting and forecasting
42. Ability to determine current and future trends in the product market
43. Ability to determine availability of goods, raw materials, shipping, and storage
44. Ability to determine and interpret factors which indicate extent and strength of competition
45. Knowledge of customers' needs
46. General knowledge of advertising
47. Knowledge of low-cost advertising and mass advertising

Accounting and Financial Competencies

48. Knowledge of accounts receivable and accounts payable
49. Knowledge of cost accounting
50. Ability to interpret financial statements
51. Mastery of skills necessary to prepare financial statements
52. Understanding of payroll and various deductions
53. Knowledge of components of gross and net profit
54. Understanding various methods of obtaining credit
55. Ability to determine and compute trade and cash discounts
56. Familiarity with federal, state, and local taxes

*Bettencourt, "Competencies," pp. 66-69.

May 12, 1981

Judy Diffley
PO Box 181
Topeka, KS 66601

To Whom It May Concern:

Judy Diffley has my permission to use the entrepreneurial competencies identified in my doctoral dissertation, Competencies Validated for Entrepreneurial Training of Secondary Vocational Students.

By determining the values of selected women entrepreneurs towards these competencies, I believe Judy will be able to identify criteria which will help the educational development and enrichment of prospective business owners.

Sincerely,

E. Bettencourt

EB/eg

APPENDIX B

SURVEY INSTRUMENT

CHARACTERISTICS OF WOMEN ENTREPRENEURS
AND SELECTED SMALL BUSINESSES

Research Questionnaire

Please circle the number corresponding to your response. When applicable, write in the requested information in the blank provided. When more than one business is presently owned, choose one business and answer all questions related to the selected business. Please do not sign your name.

INDUSTRIAL CLASSIFICATION

1. Which of the following best describes the business you presently own?

1--Service 2--Retail 3--Wholesale 4--Retail and Wholesale

Specify type of business _____
(such as apparel shop, advertising firm, management consultant, etc.)

PERSONAL CHARACTERISTICS*

- | | | |
|---|---|--|
| <p>2. Did you own any other business prior to the one you presently own?</p> <p>1--Yes
2--No</p> | <p>5. What is your age as of 31 December 1981?</p> <p>1--Under 25
2--25-34
3--35-44
4--45-54
5--55+</p> | <p>8. Which of the following best describes you?</p> <p>1--White/Caucasian
2--Black/Negro
3--Other (specify) _____</p> |
| <p>3. In total, how many years have you worked in a managerial capacity prior to owning your business(es)?</p> <p>1--None
2--Less than 2 years
3--2-5 years
4--6-9 years
5--10-19 years
6--20 years or more</p> | <p>6. What is your marital status?</p> <p>1--Never married
2--Married
3--Once married, but now single</p> | <p>9. Which of the following best describes the situation leading to your decision to go into business?</p> <p>1--Influence of parent entrepreneur
2--Death of spouse
3--Divorce from spouse
4--Terminated from job
5--Frustrated with job
6--Encouraged by friends and backers
7--Other (specify) _____</p> |
| <p>4. What is your position in your family constellation?</p> <p>1--Only child
2--Youngest
3--Oldest
4--Other (specify) _____</p> | <p>7. Which indicates the highest level of schooling you have attained?</p> <p>1--Less than high school
2--Some high school
3--High school graduate
4--Some college
5--College graduate
Major _____</p> | |

BUSINESS CHARACTERISTICS*

- | | | |
|---|--|--|
| <p>10. What is the legal form of organization for your business?</p> <p>1--Sole proprietorship
2--Partnership
3--Corporation</p> | <p>12. How many years have you owned your present business?</p> <p>1--Less than 3 years
2--3-5 years
3--More than 5 years
(specify) _____</p> | <p>14. How did you gain ownership of your business?</p> <p>1--Original founder
2--Bought the business
3--Inherited the business
4--Other (specify) _____</p> |
| <p>11. Where is your business located?</p> <p>1--Private residence
2--Shopping center
3--Central business district
4--Office complex
5--Other (specify) _____</p> | <p>13. From which of the following sources did you obtain your major financing and/or capital to become an owner of your business?</p> <p>1--Family or friends
2--Individual or joint savings
3--Government program
4--Commercial bank loan
5--Other (specify) _____</p> | <p>15. What was the total amount of capital, including financing, you needed to start or become an owner in your business?</p> <p>1--None
2--\$1-\$9,999
3--\$10,000-\$24,999
4--\$25,000-\$49,999
5--\$50,000-\$99,999
6--\$100,000 or more
(specify) _____</p> |

16. What was your firm's 1980 net income (or loss) before taxes?

Net Income	Net Loss
01--Under \$5,000	08--Under (\$5,000)
02--\$5,000-\$9,999	09--(\$5,000)-(\$9,999)
03--\$10,000-\$24,999	10--(\$10,000)-(\$24,999)
04--\$25,000-\$49,999	11--Over (\$25,000)
05--\$50,000-\$99,999	
06--\$100,000-\$250,000	
07--Over \$250,000	

IMPORTANCE OF SELECTED COMPETENCIES FOR WOMEN BUSINESS OWNERS
RELATED TO EDUCATIONAL PROGRAMS

Please consider the following list of competencies which could be of assistance in owning and operating a small business. From your personal experience in business, indicate the degree of importance for each competency by circling the corresponding number. For each numbered item circle either "Yes" or "No" to indicate whether you would attend an educational program (workshop, conference, or other classroom activity) for that particular competency. In the last column circle either "Yes" or "No" to note whether you have previously attended an educational program for each competency.

GENERAL COMPETENCIES**		Would you attend an educational program?					Have you previously attended an educational program?	
		1 No importance	2 Little importance	3 Somewhat important	4 Important	5 Very important	1 Yes	2 No
1.	Knowledge of various types of ownership (proprietorship, partnership, corporation)	1	2	3	4	5	1 Yes	2 No
2.	Understanding the basic steps involved in starting a small business	1	2	3	4	5	Yes	No
3.	Awareness of facilities available for supplying information on starting a small business (governmental agencies, trade association resources)	1	2	3	4	5	Yes	No
4.	Understanding the development of organizational structure	1	2	3	4	5	Yes	No
5.	Understanding the various terms of occupancy (renting, leasing)	1	2	3	4	5	Yes	No
6.	Familiarization with purchasing of fixtures, equipment, and furnishings	1	2	3	4	5	Yes	No
7.	Ability to determine causes for failure of similar small businesses	1	2	3	4	5	Yes	No
8.	Ability to assess facilities and equipment required	1	2	3	4	5	Yes	No
9.	Knowledge of building and space utilization	1	2	3	4	5	Yes	No
10.	Ability to determine sources of capital	1	2	3	4	5	Yes	No
11.	Understanding of factors involved in the decision to grant credit	1	2	3	4	5	Yes	No
12.	Understanding of federal and state regulations	1	2	3	4	5	Yes	No
13.	Knowledge of business law and the Uniform Commercial Code	1	2	3	4	5	Yes	No
14.	Familiarization with the Occupational Safety and Health Act	1	2	3	4	5	Yes	No
15.	Awareness of the existence and appropriate use of professional consultants (lawyer, banker, accountant, SBA, insurance agent, advertising agent)	1	2	3	4	5	Yes	No
16.	Understanding various types of insurance and the application of each type	1	2	3	4	5	Yes	No
17.	General knowledge of the total business or industry which is being entered	1	2	3	4	5	Yes	No
18.	Familiarity with various manufacturing and production methods	1	2	3	4	5	Yes	No
19.	Knowledge of importance of general location--space, parking, traffic flow, and convenience	1	2	3	4	5	Yes	No

MANAGERIAL COMPETENCIES **									
	1	2	3	4	5	Would you attend an educational program?		Have you previously attended an educational program?	
	No importance	Little importance	Somewhat important	Important	Very important	1	2	1	2
						Yes	No	Yes	No
20. Ability to use oral and written communication skills	1	2	3	4	5	Yes	No	Yes	No
21. Familiarity with methods for conducting efficient, effective meetings	1	2	3	4	5	Yes	No	Yes	No
22. Understanding the components of short- and long-range planning	1	2	3	4	5	Yes	No	Yes	No
23. Knowledge of general purchasing skills--supplies, tools, equipment, etc.	1	2	3	4	5	Yes	No	Yes	No
24. Familiarity with factors involved in overhead control	1	2	3	4	5	Yes	No	Yes	No
25. Knowledge of inventory control and turnover	1	2	3	4	5	Yes	No	Yes	No
26. Acquisition of management and supervisory skills--organizing, controlling, directing, planning, and delegating	1	2	3	4	5	Yes	No	Yes	No
27. Ability to self-evaluate personal skills, knowledge, and abilities	1	2	3	4	5	Yes	No	Yes	No
28. Understanding of the importance of time management and job demands	1	2	3	4	5	Yes	No	Yes	No
29. Realization of the impact of job demands on home and family	1	2	3	4	5	Yes	No	Yes	No
30. Awareness of factors involved in human relations	1	2	3	4	5	Yes	No	Yes	No
31. Ability to realistically determine personal salary	1	2	3	4	5	Yes	No	Yes	No
32. Knowledge of employee training and development	1	2	3	4	5	Yes	No	Yes	No
33. Ability to appraise employee performance	1	2	3	4	5	Yes	No	Yes	No
34. Knowledge of labor relations	1	2	3	4	5	Yes	No	Yes	No
35. Knowledge of unemployment and workmen's compensation	1	2	3	4	5	Yes	No	Yes	No
36. Knowledge of steps in determining employee wages and benefits	1	2	3	4	5	Yes	No	Yes	No
37. Familiarity with interviewing, hiring, and firing of employees	1	2	3	4	5	Yes	No	Yes	No
MARKETING AND SALES COMPETENCIES **									
38. Knowledge of seasonal fluctuations	1	2	3	4	5	Yes	No	Yes	No
39. Ability to determine the extent of the product market	1	2	3	4	5	Yes	No	Yes	No
40. Familiarity with various aspects of sales and sales techniques	1	2	3	4	5	Yes	No	Yes	No
41. Familiarity with budgeting and forecasting	1	2	3	4	5	Yes	No	Yes	No
42. Ability to determine current and future trends in the product market	1	2	3	4	5	Yes	No	Yes	No

	1 No importance	2 Little importance	3 Somewhat important	4 Important	5 Very Important	Would you attend an educational program?		Have you previously attended an educational program?	
43. Ability to determine availability of goods, raw materials, shipping, and storage	1	2	3	4	5	1 Yes	2 No	1 Yes	2 No
44. Ability to determine and interpret factors which indicate extent and strength of competition	1	2	3	4	5	Yes	No	Yes	No
45. Knowledge of customers' needs	1	2	3	4	5	Yes	No	Yes	No
46. General knowledge of advertising	1	2	3	4	5	Yes	No	Yes	No
47. Knowledge of low-cost advertising and mass advertising	1	2	3	4	5	Yes	No	Yes	No
ACCOUNTING AND FINANCIAL COMPETENCIES**									
48. Knowledge of accounts receivable and accounts payable	1	2	3	4	5	Yes	No	Yes	No
49. Knowledge of cost accounting	1	2	3	4	5	Yes	No	Yes	No
50. Ability to interpret financial statements	1	2	3	4	5	Yes	No	Yes	No
51. Mastery of skills necessary to prepare financial statements	1	2	3	4	5	Yes	No	Yes	No
52. Understanding of payroll and various deductions	1	2	3	4	5	Yes	No	Yes	No
53. Knowledge of components of gross and net profit	1	2	3	4	5	Yes	No	Yes	No
54. Understanding various methods of obtaining credit	1	2	3	4	5	Yes	No	Yes	No
55. Ability to determine and compute trade and cash discounts	1	2	3	4	5	Yes	No	Yes	No
56. Familiarity with federal, state, and local taxes	1	2	3	4	5	Yes	No	Yes	No
57. Other competencies (please list)									

*U.S., Selected Characteristics, pp. A-1-2.

**Bettencourt, "Competencies," pp. 66-69.

APPENDIX C

MATERIALS SENT TO PARTICIPANTS IN STUDY

Letter Inviting Participation
Survey Instrument (Appendix B)
Request for Results of Study

16 September 1981

STUDY OF WOMEN ENTREPRENEURS IN KANSAS

Statistics show that women are starting their own businesses at a rate three times as fast as men. Yet, the bulk of research done on business owners reports on male entrepreneurs exclusively. Studies are needed to identify the needs and problems of women entrepreneurs.

As a business education doctoral candidate at the University of Oklahoma, my interest in using women business owners as the focus of my research paper was heightened after attending the 1980 summer "Women and Business" conference in Kansas City. The great number of enthusiastic women attending this conference expressing the desire to participate in educational activities motivated me to find out more about women entrepreneurs.

From your experience as a successful business owner, you can make an important contribution to aid in the preparation of educational materials for entrepreneurs. Will you please take a few minutes of your time to answer the enclosed questionnaire. Your answers will be held in strict confidence, used only for statistical purposes in reporting group data.

Please send your completed questionnaire in the enclosed stamped, addressed envelope. If you would like a summary of the findings when the study is complete, please fill out the enclosed name and address form. This summary request will be removed promptly when received and placed separately from your questionnaire so that your anonymity will be maintained.

Your response is vital to the success of this project. By giving a few minutes of your time, you can share valuable insights into what makes a successful business. Mailing your completed questionnaire before September 30 will help ensure completion of this study during the 1981 fall school term. As a business leader in your community, you are the most important source for data to help determine the structure of future educational programs.

Mrs Judy Diffley
PO Box 181
Topeka, KS 66601-0181
913-232-9094

Enclosures

*I am enclosing my completed questionnaire
and would like to receive a copy of the
findings of the study of women entrepre-
neurs in Kansas.*

Name _____

Address _____

APPENDIX D

QUESTIONNAIRE RESPONSE SHEET

STUDY OF WOMEN ENTREPRENEURS IN KANSAS

Respondents by Code Numbers

001	026	051	076	101
002	027	052	077	102
003	028	053	078	103
004	029	054	079	104
005	030	055	080	105
006	031	056	081	106
007	032	057	082	107
008	033	058	083	108
009	034	059	084	109
010	035	060	085	110
011	036	061	086	111
012	037	062	087	112
013	038	063	088	113
014	039	064	089	114
015	040	065	090	115
016	041	066	091	116
017	042	067	092	117
018	043	068	093	118
019	044	069	094	119
020	045	070	095	120
021	046	071	096	121
022	047	072	097	122
023	048	073	098	123
024	049	074	099	124
025	050	075	100	125

APPENDIX E

STATISTICAL TESTS RESULTS

TABLE 38
STATISTICAL TESTS RESULTS

Compe- tency	Chi-Square Test			Median Test			
	χ^2	P- Value	Sign	Service Median	Retail Median	P- Value	Sign
1	5.20	.07		4	4	.12	
2	.06	.97		5	5	.89	
3	3.25	.20		4	4	.42	
4	5.97	.05	*	4	1	.02	*
5	.91	.64		4	4	.71	
6	5.88	.05	*	4	1	.03	*
7	.43	.81		4	4	.72	
9	2.79	.25		4	1	.17	
10	2.99	.22		5	4	.11	
11	1.22	.54		4	4	.28	
12	1.87	.39		4	4	.28	
13	6.47	.04	*	4	1	.04	*
14	4.71	.09		1	1	.04	*
15	.78	.68		5	4	.40	
16	1.70	.43		4	4	.97	
17	2.26	.32		5	5	.22	
18	1.86	.40		1	1	.34	
19	.46	.79		4	4	.66	
20	2.64	.27		5	4	.14	
21	7.04	.03	*	4	1	.02	*
22	5.42	.07		4	4	.20	
23	9.18	.01	*	4	4	.69	
24	1.56	.46		4	4	.42	
25	8.76	.01	*	4	5	.01	*
26	1.22	.54		5	4	.53	
27	.86	.65		4	4	.46	
28	5.07	.08		5	4	.23	

* .05 level of significance

TABLE 38--Continued

Compe- tency	Chi-Square Test			Median Test			
	χ^2	P- Value	Sign	Service Median	Retail Median	P- Value	Sign
29	2.06	.36		4	5	.16	
30	7.13	.03	*	5	4	.01	*
31	2.20	.33		4	4	.64	
32	3.06	.22		4	4	.20	
33	3.46	.18		4	4	.32	
34	1.54	.46		1	1	.53	
35	3.78	.15		4	1	.08	
36	.81	.67		4	4	.58	
37	4.46	.11		4	4	.23	
38	.43	.81		4	4	.65	
39	2.31	.32		4	4	.85	
40	1.65	.44		4	4	.75	
41	1.37	.50		4.5	4	.50	
42	3.16	.21		5	4	.13	
43	.77	.68		4	4	.56	
44	11.28	.00	*	4	4	.07	
45	3.16	.21		5	5	.97	
46	.08	.96		4	4	.79	
47	1.32	.52		4	4	.57	
48	1.02	.60		5	5	.96	
49	1.66	.44		5	4	.54	
50	10.06	.01	*	5	5	.27	
51	2.14	.34		4	4	.30	
52	1.60	.45		4	4	.60	
53	.53	.77		5	5	.63	
54	2.89	.24		4	4	.66	
55	10.35	.01	*	4	4	.81	
56	5.86	.05	*	4	5	.02	*

* .05 level of significance

APPENDIX F

RESPONSE ANALYSIS FOR EDUCATIONAL PROGRAMS

BY INDUSTRIAL CLASSIFICATION

Demand for Educational Programs

Attendance in Past Educational Programs

TABLE 39
DEMAND FOR EDUCATIONAL PROGRAMS

Compe- tency	Service				Retail			
	Yes		No		Yes		No	
	Freq	%	Freq	%	Freq	%	Freq	%
1	28	43.8	36	56.3	11	34.4	21	65.6
2	29	46.0	34	54.0	11	35.5	20	64.5
3	22	34.4	42	65.6	11	37.9	18	62.1
4	24	39.3	37	60.7	11	36.7	19	63.3
5	12	19.1	51	80.9	12	38.7	19	61.3
6	14	22.2	49	77.8	7	25.9	20	74.1
7	38	59.4	26	40.6	19	65.5	10	34.5
8	27	42.9	36	57.1	12	40.0	18	60.0
9	22	35.5	40	64.5	11	35.5	20	64.5
10	31	50.0	31	50.0	18	62.1	11	37.9
11	24	37.5	40	62.5	19	61.3	12	38.7
12	33	52.4	30	47.6	19	61.3	12	38.7
13	29	48.3	31	51.7	13	43.3	17	56.7
14	16	26.7	44	73.3	6	19.4	25	80.6
15	32	53.3	28	46.7	17	54.8	14	45.2
16	25	41.7	35	58.3	18	56.3	14	43.7
17	32	54.2	27	45.8	19	59.4	13	40.6
18	22	37.9	36	62.1	10	32.3	21	67.7
19	17	27.9	44	72.1	11	35.5	20	64.5
20	39	60.9	25	39.1	13	44.8	16	55.2
21	27	42.2	37	57.8	9	31.0	20	69.0
22	35	56.5	27	43.5	15	53.6	13	46.4
23	15	25.0	45	75.0	10	33.3	20	66.7
24	27	42.9	36	57.1	17	58.6	12	41.4
25	18	30.0	42	70.0	20	66.7	10	33.3
26	36	58.1	26	41.9	16	53.3	14	46.7
27	31	48.4	33	51.6	20	66.7	10	33.3
28	31	49.2	32	50.8	20	66.7	10	33.3

TABLE 39--Continued

Compe- tency	Service				Retail			
	Yes		No		Yes		No	
	Freq	%	Freq	%	Freq	%	Freq	%
29	18	29.0	44	71.0	15	50.0	15	50.0
30	28	45.2	34	54.8	16	53.3	14	46.7
31	14	22.6	48	77.4	12	40.0	18	60.0
32	24	38.7	38	61.3	15	50.0	15	50.0
33	24	38.1	39	61.9	14	46.7	16	53.3
34	19	31.1	42	68.9	6	19.4	25	80.6
35	16	26.7	44	73.3	11	35.5	20	64.5
36	24	40.0	36	60.0	12	40.0	18	60.0
37	25	41.7	35	58.3	16	51.7	15	48.3
38	16	28.6	40	71.4	15	50.0	15	50.0
39	19	34.5	36	65.5	16	55.2	13	44.8
40	27	45.8	32	54.2	16	55.2	13	44.8
41	27	46.6	31	53.4	22	73.3	8	26.7
42	29	49.2	30	50.8	18	62.1	11	37.9
43	12	20.7	46	79.3	8	25.8	23	74.2
44	29	49.2	30	50.8	17	56.7	13	43.3
45	31	51.7	29	48.3	19	59.4	13	40.6
46	32	52.5	29	47.5	23	71.9	9	29.1
47	33	52.4	30	47.6	21	65.6	11	34.4
48	25	40.3	37	59.7	9	30.0	21	70.0
49	25	41.0	36	59.0	13	44.8	16	55.2
50	32	51.6	30	48.4	16	51.6	15	48.4
51	24	38.1	39	61.9	10	32.3	21	67.7
52	18	28.6	45	71.4	10	32.3	21	67.7
53	23	36.5	40	63.5	10	33.3	20	66.7
54	26	41.3	37	58.7	12	38.7	19	61.3
55	14	22.6	48	77.4	10	31.3	22	68.7
56	27	42.2	37	57.8	13	44.8	16	55.2

TABLE 40
ATTENDANCE IN PAST EDUCATIONAL PROGRAMS

Compe- tency	Service				Retail			
	Yes		No		Yes		No	
	Freq	%	Freq	%	Freq	%	Freq	%
1	30	46.2	35	53.8	12	36.4	21	63.6
2	25	38.5	40	61.5	14	43.8	18	56.2
3	18	28.1	46	71.9	10	33.3	20	66.7
4	19	30.6	43	69.4	8	26.7	22	73.3
5	13	20.3	51	79.7	6	19.4	25	80.6
6	9	14.8	52	85.2	4	13.8	25	86.2
7	16	25.4	47	74.6	8	25.8	23	74.2
8	12	19.4	50	80.6	4	13.3	26	86.7
9	8	13.1	53	86.9	4	12.9	27	87.1
10	21	33.9	41	66.1	6	20.0	24	80.0
11	19	30.2	44	69.8	6	19.4	25	80.6
12	25	39.7	38	60.3	9	28.1	23	71.9
13	22	37.3	37	62.7	5	16.1	26	83.9
14	12	19.7	49	80.3	5	15.6	27	84.4
15	29	47.5	32	52.5	10	33.3	20	66.7
16	16	26.7	44	73.3	5	15.6	27	84.4
17	30	50.8	29	49.2	12	37.5	20	62.5
18	18	31.0	40	69.0	9	28.1	23	71.9
19	11	18.3	49	81.7	5	15.6	27	84.4
20	38	60.3	25	39.7	14	46.7	16	53.3
21	26	40.6	38	59.4	10	34.5	19	65.5
22	26	40.6	38	59.4	11	36.7	19	63.3
23	14	23.3	46	76.7	4	13.3	26	86.7
24	19	30.6	43	69.4	9	30.0	21	70.0
25	18	30.0	42	70.0	8	26.7	22	73.3
26	28	43.8	36	56.2	12	40.0	18	60.0
27	25	39.7	38	60.3	9	30.0	21	70.0
28	30	47.6	33	52.4	7	23.3	23	76.7

TABLE 40--Continued

Compe- tency	Service				Retail			
	Yes		No		Yes		No	
	Freq	%	Freq	%	Freq	%	Freq	%
29	14	23.0	47	77.0	6	20.7	23	79.3
30	27	43.5	35	56.5	12	40.0	18	60.0
31	13	21.0	49	79.0	3	10.0	27	90.0
32	24	37.5	40	62.5	9	31.0	20	69.0
33	20	32.3	42	67.7	11	37.9	18	62.1
34	10	16.4	51	83.6	2	6.7	28	93.3
35	11	17.7	51	82.3	3	10.0	27	90.0
36	12	19.4	50	80.6	5	16.7	25	83.3
37	18	30.0	42	70.0	7	22.6	24	77.4
38	14	24.6	43	75.4	6	19.4	25	80.6
39	16	28.1	41	71.9	5	16.1	26	83.9
40	31	50.8	30	49.2	13	41.9	18	58.1
41	27	45.0	33	55.0	11	35.5	20	64.5
42	21	35.6	38	64.4	8	25.8	23	74.2
43	7	11.9	52	88.1	5	15.6	27	84.4
44	12	21.1	45	78.9	5	16.7	25	83.3
45	24	40.0	36	60.0	8	25.0	24	75.0
46	20	32.8	41	67.2	11	34.4	21	65.6
47	16	25.8	46	74.2	10	31.3	22	68.7
48	32	50.0	32	50.0	12	35.3	22	64.7
49	26	41.9	36	58.1	7	22.6	24	77.4
50	32	50.0	32	50.0	14	43.8	18	56.2
51	23	35.9	41	64.1	6	17.6	28	82.4
52	25	39.1	39	60.9	10	29.4	24	70.6
53	29	45.3	35	54.7	10	30.3	23	69.7
54	25	39.1	39	60.9	9	27.3	24	72.7
55	16	25.8	46	74.2	5	15.2	28	84.8
56	27	42.2	37	57.8	10	29.4	24	70.6

APPENDIX G

RESPONSE ANALYSIS OF THE CHI-SQUARE TEST (Significant Differences Only)

TABLE 41

ANALYSIS OF RESPONSES CONCERNING UNDERSTANDING
THE DEVELOPMENT OF ORGANIZATIONAL STRUCTURE

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	0	30	20	17	67
Percent	.	29.13	19.42	16.50	65.05
Row Pct	.	44.78	29.85	25.37	
Col Pct	.	54.55	74.07	80.95	
Retail					
Frequency	3	25	7	4	36
Percent	.	24.27	6.80	3.88	34.95
Row Pct	.	69.44	19.44	11.11	
Col Pct	.	45.45	25.93	19.05	
Column	.	55	27	21	103
Total	.	53.40	26.21	20.39	100.00

Chi-Square = 5.97 with 2 Degrees of Freedom

P-Value = .05

TABLE 42

ANALYSIS OF RESPONSES CONCERNING FAMILIARIZATION
WITH PURCHASING OF FIXTURES,
EQUIPMENT, AND FURNISHINGS

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	2	27	26	12	65
Percent	.	27.27	26.26	12.12	65.66
Row Pct	.	41.54	40.00	18.46	
Col Pct	.	55.10	81.25	66.67	
Retail					
Frequency	5	22	6	6	34
Percent	.	22.22	6.06	6.06	34.34
Row Pct	.	64.71	17.65	17.65	
Col Pct	.	44.90	18.75	33.33	
Column Total	.	49	32	18	99
	.	49.49	32.32	18.18	100.00

Chi-Square = 5.88 with 2 Degrees of Freedom

P-Value = .05

TABLE 43

ANALYSIS OF RESPONSES CONCERNING KNOWLEDGE OF
BUSINESS LAW AND THE UNIFORM COMMERCIAL CODE

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	2	21	22	22	65
Percent	.	20.59	21.57	21.57	63.73
Row Pct	.	32.31	33.85	33.85	
Col Pct	.	51.22	64.71	81.48	
Retail					
Frequency	2	20	12	5	37
Percent	.	19.61	11.76	4.90	36.27
Row Pct	.	54.05	32.43	13.51	
Col Pct	.	48.78	35.29	18.52	
Column	.	41	34	27	102
Total	.	40.20	33.33	26.47	100.00

Chi-Square = 6.47 with 2 Degrees of Freedom

P-Value = .04

TABLE 44

ANALYSIS OF RESPONSES CONCERNING FAMILIARITY
WITH METHODS FOR CONDUCTING EFFICIENT,
EFFECTIVE MEETINGS

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	1	24	21	21	66
Percent	.	24.00	21.00	21.00	66.00
Row Pct	.	36.36	31.82	31.82	
Col Pct	.	53.33	70.00	84.00	
Retail					
Frequency	5	21	9	4	34
Percent	.	21.00	9.00	4.00	34.00
Row Pct	.	61.76	26.47	11.76	
Col Pct	.	46.67	30.00	16.00	
Column	.	45	30	25	100
Total	.	45.00	30.00	25.00	100.00

Chi-Square = 7.04 with 2 Degrees of Freedom

P-Value = .03

TABLE 45

ANALYSIS OF RESPONSES CONCERNING KNOWLEDGE OF
GENERAL PURCHASING SKILLS--SUPPLIES,
TOOLS, EQUIPMENT, ETC.

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	2	25	26	14	65
Percent	.	25.00	26.00	14.00	65.00
Row Pct	.	38.46	40.00	21.54	
Col Pct	.	67.57	81.25	45.16	
Retail					
Frequency	4	12	6	17	35
Percent	.	12.00	6.00	17.00	35.00
Row Pct	.	34.29	17.14	48.57	
Col Pct	.	32.43	18.75	54.84	
Column	.	37	32	31	100
Total	.	37.00	32.00	31.00	100.00

Chi-Square = 9.18 with 2 Degrees of Freedom

P-Value = .01

TABLE 46

ANALYSIS OF RESPONSES CONCERNING KNOWLEDGE
OF INVENTORY CONTROL AND TURNOVER

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	2	21	21	23	65
Percent	.	20.79	20.79	22.77	64.36
Row Pct	.	32.31	32.31	35.38	
Col Pct	.	84.00	70.00	50.00	
Retail					
Frequency	3	4	9	23	36
Percent	.	3.96	8.91	22.77	35.64
Row Pct	.	11.11	25.00	63.89	
Col Pct	.	16.00	30.00	50.00	
Column	.	25	30	46	101
Total	.	24.75	29.70	45.54	100.00

Chi-Square = 8.76 with 2 Degrees of Freedom

P-Value = .01

TABLE 47

ANALYSIS OF RESPONSES CONCERNING AWARENESS OF
FACTORS INVOLVED IN HUMAN RELATIONS

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	1	7	18	41	66
Percent	.	6.93	17.82	40.59	65.35
Row Pct	.	10.61	27.27	62.12	
Col Pct	.	53.85	51.43	77.36	
Retail					
Frequency	4	6	17	12	35
Percent	.	5.94	16.83	11.88	34.65
Row Pct	.	17.14	48.57	34.29	
Col Pct	.	46.15	48.57	22.64	
Column	.	13	35	53	101
Total	.	12.87	34.65	52.48	100.00

Chi-Square = 7.13 with 2 Degrees of Freedom

P-Value = .03

TABLE 48

ANALYSIS OF RESPONSES CONCERNING ABILITY TO
DETERMINE AND INTERPRET FACTORS WHICH
INDICATE EXTENT AND STRENGTH
OF COMPETITION

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	5	6	28	28	62
Percent	.	6.00	28.00	28.00	62.00
Row Pct	.	9.68	45.16	45.16	
Col Pct	.	30.00	66.67	73.68	
Retail					
Frequency	1	14	14	10	38
Percent	.	14.00	14.00	10.00	38.00
Row Pct	.	36.84	36.84	26.32	
Col Pct	.	70.00	33.33	26.32	
Column	.	20	42	38	100
Total	.	20.00	42.00	38.00	100.00

Chi-Square = 11.28 with 2 Degrees of Freedom

P-Value = .00

TABLE 49

ANALYSIS OF RESPONSES CONCERNING ABILITY
TO INTERPRET FINANCIAL STATEMENTS

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	1	6	24	36	66
Percent	.	5.77	23.08	34.62	63.46
Row Pct	.	9.09	36.36	54.55	
Col Pct	.	40.00	85.71	59.02	
Retail					
Frequency	1	9	4	25	38
Percent	.	8.65	3.85	24.04	36.54
Row Pct	.	23.68	10.53	65.79	
Col Pct	.	60.00	14.29	40.98	
Column	.	15	28	61	104
Total	.	14.42	26.92	58.65	100.00

Chi-Square = 10.06 with 2 Degrees of Freedom

P-Value = .01

TABLE 50

ANALYSIS OF RESPONSES CONCERNING ABILITY
TO DETERMINE AND COMPUTE TRADE
AND CASH DISCOUNTS

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	2	29	22	14	65
Percent	.	28.16	21.36	13.59	63.11
Row Pct	.	44.62	33.85	21.54	
Col Pct	.	64.44	84.62	43.75	
Retail					
Frequency	1	16	4	18	38
Percent	.	15.53	3.88	17.48	36.89
Row Pct	.	42.11	10.53	47.37	
Col Pct	.	35.56	15.38	56.25	
Column	.	45	26	32	103
Total	.	43.69	25.24	31.07	100.00

Chi-Square = 10.35 with 2 Degrees of Freedom

P-Value = .01

TABLE 51

ANALYSIS OF RESPONSES CONCERNING FAMILIARITY
WITH FEDERAL, STATE, AND LOCAL TAXES

Industrial Classification	Responses				
	No Response	No Importance Little Imp Somewhat Imp	Important	Very Important	Row Total
Service					
Frequency	1	14	23	29	66
Percent	.	13.46	22.12	27.88	63.46
Row Pct	.	21.21	34.85	43.94	
Col Pct	.	77.78	74.19	52.73	
Retail					
Frequency	1	4	8	26	38
Percent	.	3.85	7.69	25.00	36.54
Row Pct	.	10.53	21.05	68.42	
Col Pct	.	22.22	25.81	47.27	
Column	.	18	31	55	104
Total	.	17.31	29.81	52.88	100.00

Chi-Square = 5.86 with 2 Degrees of Freedom

P-Value = .05