

**WOMEN ENTREPRENEURS IN THE DIGITAL ECONOMY:
WHAT SKILLS DO THEY REALLY NEED?**

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WOMEN ENTREPRENEURS IN THE DIGITAL ECONOMY: WHAT SKILLS DO THEY REALLY NEED?

ABSTRACT

Through its impact on transactions, communications and problem solving, the digital economy is increasing opportunities for business and changing the nature of how we work - this may provide an advantage to women entrepreneurs. With women entrepreneurs becoming increasingly important to the economy, there is a growing interest in understanding how to better utilise this important resource. This paper presents the results of a literature review of women's (e) business training needs in the digital economy. The paper concludes with a discussion on providing women entrepreneurs with the meta-competencies they require to reach their full potential via gender-friendly and evidence-based training models that suits both their work and lifestyle needs.

INTRODUCTION

The digital economy represents an important new dimension because ICT is reducing the importance of location and a 'standard' day, changing the way businesses and organisations operate.

Globalisation and deregulated markets have created a flat world (Friedman, 2006), which provides companies of all sizes – including small and medium size enterprises (SME) – an opportunity to participate in the market economy. Thus, the digital economy has created a level playing field. Information and communication technologies (ICT), and especially the Internet, allow knowledge to spread quickly, making it available to/by anyone with computer access and a telephone connection. As part of this phenomenon, women are becoming increasingly important in the global marketplace, not just as workers, but also as consumers, entrepreneurs, managers and investors. Indeed, women are now considered the most powerful engine of global growth. As reported widely in the popular press, women have contributed more to global GDP growth than have either new technology or the new giants, China and India (The Economist, 2006).

This changes the competitive conditions for Australia's regions and increases the importance of innovation and the associated human and social capital, skills and education. With skills shortages looming and with women entrepreneurs becoming increasingly important to the economy, there is a growing need to understand how to better utilise this important resource. A literature review was undertaken to gauge where women entrepreneurs fit in today's economy and, based on that position, what training would benefit women most.

WOMEN ENTREPRENEURS

Traditionally, the study of female entrepreneurship has been motivated by gender equality issues. Female entrepreneurs were assumed to experience gender-related discrimination and more difficulties than their male counterparts in starting up and running a business (Verheul, 2005). Today research and policy are increasingly fuelled by the idea that female entrepreneurs are important for economic progress. Even when issues such as barriers and obstacles to female entrepreneurs are raised in the gender and entrepreneurship debate, this is usually done from the perspective that female entrepreneurs are an untapped resource and have potential to contribute to a country's economic performance.

Indeed, although gender equality is one of the arguments underlying the support for female entrepreneurs within the European Union, the argument that female entrepreneurs (have the potential to) contribute to economic performance continues to play a role here. In the report *Good practices in the promotion of Female entrepreneurship* (European Commission, 2002, p.3) it is argued that women face a

number of gender-specific barriers to starting up and running a business that have to be tackled as women are considered “a latent source of economic growth and new jobs and should be encouraged”. Hence, the main argument for encouraging women’s entrepreneurship is that female entrepreneurs are an “engine of economic growth” (Ahl 2002, p. 125). The basis for this argument is the acknowledgement that entrepreneurship (in general) is important for economic performance.

At the individual level, entrepreneurship is considered an important way for women in developed and emerging economies to become financially secure or independent and to combine work and household responsibilities. Self-employment may also provide a way for women to escape barriers to higher levels within organisations, i.e., the so-called ‘glass ceiling’ (Still 2006). As the contemporary economy is characterised by an ever-increasing demand for quality in its broadest sense, it is of vital importance that the best-qualified people are selected for (available) jobs, independent of their sex. In this way, the process of emancipation becomes an important driver of economic progress.

This may give the impression that women-led entrepreneurship is flourishing in view of women’s contribution to global GDP (The Economist 2006). However, we are yet to achieve trends predicted almost a decade ago (Brush and Hisrich, 1999) such as considerable growth in the number of working women and female entrepreneurship activity; and an increase in “feminised” markets. This raises questions about the business skilling women currently access within their economies.

TECHNOLOGY AND FLEXIBILITY

The explosive growth of ICT in every aspect of society offers a unique opportunity to engage more women in both developed and emerging economies. New technologies lower the costs of information access and facilitate communication across geographic distance, allowing for more flexible working arrangements for those located far from metropolitan centres. In particular for women living in regional and rural areas, whose work patterns are frequently characterised by pluriactivity (Ross and McCartney 2005), new technologies offer important flexibility in terms of both the times and the places where work is carried out.

For women entrepreneurs, ICT offers a primary enabling factor for business and e-business. In Australia, small business operations have increased by 6.5 per cent since 1995 and more women are involved in operating these businesses than ever before (Australian Bureau of Statistics, 2004). Despite these opportunities, ICT and e-business are still poorly understood by Australia’s SMEs and the current landscape is characterised by low uptake of e-business by women (Braun, 2005). Studies have found significant differences in the impact of gender on the adoption and use of the Internet among male and female entrepreneurs (Braun & Van Beveren, 2005) with women-led businesses leading in the use of computers, but lagging in the uptake of eBusiness (Commonwealth 2006). Although female-led enterprise use of computers

is strong, women take less advantage of mobile business opportunities, as well as of the productivity and speed advantages offered by broadband.

Familiarisation with computer-mediated technologies is an important digital economy competency, as increased use of technology in business processes, socialisation and knowledge sharing via online environments is changing the way businesses innovate and create competitive advantage (Braun, 2007; Tapscott & Williams 2006). Technology adoption pertaining to e-business processes is typically incremental and incorporation of technology into business practices hence needs to be facilitated accordingly (Braun, 2006). However, to date it often remains segregated from other business training (Braun, 2008).

WOMEN'S LEARNING NEEDS

An Australian study conducted by Roffey et al (1996) over a decade ago found that in general the sources of assistance used by women and their training assistance were not significantly different from men. Nor did training and assistance needs vary significantly between women starting a business and women operating a business. Desired assistance for both men and women included financial management, marketing and confidence building in the earlier stages of business activity. However, training obstacles that were specific to women business proprietors related to their limited prior work experience and less relevant education. Thus, it was suggested that it would be useful to plan for diversity of needs and knowledge in business training amongst the target population. Exposure to successful female role models and peers was also seen as important in breaking down isolation and self-esteem barriers.

A decade on, the Roffey et al (1996) findings remain relevant, with two additional factors contributing to the lack of progress for women pertaining to business training, namely lack of flexibility (in work and training) and the failure to mentor promising women candidates to further develop their talents (Nairn & Nicholson, 2006). In concentrating on obstacles to training and assistance specifically for women, Stanger (2004) identified a range of other issues, including lack of course availability and suitable content, especially content that addresses gendered business interests and the (digital) business stage, with business training predominantly directed at start-up and early development. As such, business course content remain conventional in nature with most offerings appearing to fall short in delivering comprehensive digital and strategic skills required for participation in a knowledge society (Braun, 2008).

Central to addressing business training needs for women is the concept of career development. The concept of career development has changed over time to reflect a constantly changing world of work in which career development and lifelong learning are closely interrelated (Malone, 2004). There is widespread agreement in the literature that individuals need to be proactive life/career managers who evolve through lifelong learning and adaptation to change (McMahon et al, 2006). In the knowledge economy, the notion of purposeful lifelong learning with the aim of improving knowledge, skills and competence has become widely accepted as pivotal

to successful life/career management and business innovation in the 21st Century (Commission of the European Communities, 2000).

Lifelong learning for career development is necessary to provide members of the workforce with a comprehensive set of so-called “meta-competencies”, a combination life/career management and employability skills (McMahon et al, 2006). Life/career management skills include such skills as the ability to respond to change, identifying life, career and learning opportunities that enable a satisfactory lifestyle. Employability skills include technology skills, problem solving, initiative and enterprise skills, teamwork, learning and self-management skills, and communication skills. Effective communication includes competencies such as collaboration, interpersonal skills and interactive communication (Commonwealth, 2006). A key aspect of the meta-capabilities framework (McMahon et al, 2006) is the need to underpin workforce development with a balance between wealth creation and well being (Nicholson & Nairns, 2006).

There are distinct cross-overs between meta-competencies and digital economy skills such as understanding the use of technology and new business models, interactive communication and social networking (Malone, 2004; Tapscott & Williams, 2006).

Competencies such as initiative and enterprise skills can broadly be summarised as entrepreneurial traits and the link between entrepreneurship and economic growth is well documented (Carree and Thurik, 2003). Gender-conscious entrepreneurship skilling has, however, received much less attention (Headlam-Wells, 2004). There is ample evidence in the literature that female and male entrepreneurs possess different business profiles: they start and run businesses in different sectors, develop different products, pursue different goals and structure their businesses and business processes in a different fashion (Brush, 1992; Green et al., 2003; Lundstrom, 2000). Yet, since the majority of entrepreneurs are male, perspectives based on masculine experiences have dominated the small business skilling arena (Stanger, 2004). Gender-friendly development recognises that women play a central role in economic development processes in addition to their family and community roles and that understanding the unique characteristics and motivations of females is therefore central to (emerging) economic development and innovation (Ross & McCartney, 2005; Rees, 2000).

Communication is another key competence in the global communications era and central to all work women undertake in business either as entrepreneurs or corporate leaders. Yet the acceptance of women’s communication styles in business may be another hidden obstacle in women’s path to develop to their full potential in today’s economy. Research evidence suggests that gender communication impacts on the workplace (Barrett, 2004). The less aggressive and assertive linguistic style associated with females is, for example, highly valued in Asian business circles, but there continues to be a lack of acceptance of women as managers and leaders in the still predominantly male-dominated Australian business culture (Still, 2006). These socio-cultural conditions have resulted in maintaining women entrepreneurs’ economic vulnerability (Green et al, 2003). While women exporters may not experience gender-

related barriers to international trade, important is the fact that perceptions influence decision-making. For example, if a women business owner thought that she might experience gender-related barriers in export, she may not seek international expansion or if she perceived that her firm was thought to be 'less credible' than one owned by a male, she may well forgo an international bid (ACOA, 2003).

What is perhaps most significant, as documented in the leadership and change literature, is that women are seen as having many of the negotiation and communication attributes seen as necessary in the future (Nicholson & Nairn, 2006). Hence, with exposure to appropriate skilling and networks, they seemingly have the basis for full participation as leaders in the digital economy. To date, limited attention has been paid to coordinate and evaluate interventions designed to support the career development of professional and managerial women (Headlam-Wells, 2004). Nor have cultural issues pertaining to lack of women's advancement in leadership positions been addressed.

CONCLUSION

Women are becoming increasingly important in the global marketplace, not just as consumers and investors, but also in the workforce as knowledge workers, entrepreneurs and managers. Women have many of the attributes that are imperative in today's economy.

The traditional role of non-participation by women in business has long been challenged and women now play a central role in economic development and growth. In view of the fact that women are playing an increasingly important role in the global economy, this paper has examined business skilling in the digital economy for women in general, and women entrepreneurs in Australia in particular. The paper has highlighted the lack of attention that has been paid to increasing women's abilities to participate fully in and increase their contribution to their economies. In Australia this is evidenced by facts such as business course content remaining conventional in nature with most offerings appearing to fall short in delivering comprehensive digital and strategic skills required for participation in a knowledge society (Braun, 2008). With entrepreneurial capacity of women increasing, so too is their need for a comprehensive skill set.

By extrapolating the learnings from the literature, in combination with an audit of existing learning resources, a comprehensive picture of interventions can be formulated to help prepare for the increasingly important role women are expected to play in the economy. To increase women's participation in the workforce and mirror the participation of men, it is imperative to build women's capacity to fully participate in the Digital Economy. Thus, there is a clear need to provide women with those competencies that allow women in both developed and emerging economies to operate more effectively in a changing work environment and an increasingly digital business environment.

The paper has outlined that in today's business climate, women require meta-competencies that range from technology skills to problem solving, initiative and enterprise skills, to teamwork, learning and self-management as well as communication and digital economy skills such as understanding the use of technology, new business models, interactive communication and social networking. Participation in business is a lifelong learning experience, which ideally serves to contribute to economic development as well as to personal fulfilment and social advancement. Addressing both life and career skills will enable women to respond to career and learning opportunities in combination with a satisfactory lifestyle. Many women have family commitments and relatively limited leisure time, resulting in women preferring self-guided and learner-managed modes of learning. They can be viewed as having a pragmatic and evidence-based approach to learning, in that they prefer tried and tested techniques that are relevant to their problems (Braun, 2008).

In advancing business training, the goal of policy makers and training organisations should hence be towards the creation of a workforce of lifelong learners, with learning environments that suit women's learning styles and business needs. In fostering women's capabilities, action learning methodologies are congruent with the digital economy training needs of women entrepreneurs as well as with emerging electronic communication and networking processes.

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