Entrepreneurship Research Conference

Theme: Entrepreneurship in the Digital Age: Ecosystems, Managers and Entrepreneurs Behavior

Conference organized at Université Paris 8 Vincennes Saint-Denis.

December 7th, 2023. Paris.

Title: Factors affecting the success of Indigenous Women Entrepreneurs.

Authors:

Antonio Padilla-Meléndez Ana Rosa del Aguila-Obra Antonio Manuel Ciruela-Lorenzo Juan José Plaza-Angulo

Indigenous are people whose ancestors were living in an area prior to colonisation or to the formation of their nation state (Dana, 2007). Between 5 and 6% of the entire world population is Indigenous, around 476 million of people, spread in 90 countries (World Bank, 2023). They have historically been among the poorest and most excluded groups and have faced serious discrimination. Indigenous entrepreneurship (IE) considers the establishment, management, and development of new ventures based on Indigenous knowledge by Indigenous people (Dana, 2007). It has received considerable interest in the entrepreneurship literature in recent years (e.g., Collins et al., 2017 or Salmon, Chavez, & Murphy, 2023) with a literature mainly qualitative in nature. The studies about Indigenous Women Entrepreneurs (IWEs) are scarcer (Padilla-Meléndez, Plaza-Angulo, Del-Aguila-Obra, & Ciruela-Lorenzo, 2022), and to the knowledge of the authors there are not previous studies centred on developing a model to explain IWEs' success. The purpose of this paper is to understand the factors (general and specific environment, and individual levels) which affect IWEs' results measured as their self-perceived success.

IWEs face more difficulties that men (Seongbae & Brooke, 2013), as could been the access to finance, the informal networks, and the lack of managerial training. After a literature review, three levels of analysis were considered, namely general and specific environment, and individual perspective, including personality traits.

Regarding the *general environment*, IWEs operate in an context that is not gender neutral, with socio-cultural norms which pose barriers to women advancement (Dzisi, 2008). Government plays an important role to support them by providing business training activities and workshops and implementing preferential treatment policies for indigenous people (Yap, Keling & Ho, 2023). Furthermore, socio-cultural environment is also key, with factors such as family support, political affiliation, and social/business/professional networks (Yap et al., 2023).

Concerning the *specific environment*, IWEs have been identified as risk-adverse and putting family before business (Diochon, 2014). However, it has been found how husband supports the wife to engage in business by providing financial aids, sharing housework at

home and offering moral support (Yap et al., 2023). For IWEs, business success is understood as a community achievement because there must be a balance between the use of resources and production above individual success (Urbiola & Vazquez, 2015).

At the *individual level*, there are few IE investigations that pay attention to the age and the sector of activity and normally describe the type of activity, classifying it between formal, informal and traditional (Croce, 2020). About the level of education, Anderson and Dana (2007) stated that specific technical skills and general business management skills tend to be lower among Indigenous people as compared to the general population. Related to this, nascent Indigenous entrepreneurs demonstrate high levels of entrepreneurial attitude toward opportunity recognition (Lindsay et al., 2006). Regarding IWEs, although their venture may initially start because of economic displacement, it has been found how the opportunity recognition phase play a highly significant role in resource configuration, resulting in their entrepreneurial success (Keling, Yap, & Ho, 2023).

Concerning *personality traits*, these affect the IWEs' entrepreneurial performance (Keling et al., 2023). For example, in the case of the Indigenous Dayak women, these IWEs seem to gain experience and knowledge of the business environment before gradually developing a positive attitude towards risk, primarily financial and reputation risks (Keling et al., 2023). In Indigenous contexts the experience is key, and more relevant that education and personal mastery, positive and negative emotions indirectly lead to outcome expectations through self-efficacy (Adebusuyi & Adebusuyi, 2023). Personal resilience is another relevant personal factor (Keling et al., 2023; Yap et al., 2023).

Regarding the *definition of success* by Indigenous entrepreneurs, when evaluating the results, it is necessary to consider the experiences of the participants within their cultures, origins and perspectives (Shoebridge, Buultjens, & Lila Singh, 2012) and in this paper different elements were as part of the IWEs success (Shoebridge et al., 2012; Mrabure, 2019; Calvo & Morales, 2023): financial results, family subsistence, social progress of the person and the family, improving the education of children, improving the society, and self-realization.

The context of this research is Bolivia, a country is located between the Andes Mountain range and the Amazon rainforest in South America. It currently has 12,224,110 inhabitants, with more than 40 indigenous nationalities and a poverty level of around 36.4% in 2021 (World Bank, 2023). For data collection, two investigators conducted the questionnaire-based interviews between September to November 2018. We analysed data from 225 questionnaire-based answers of IWEs of the Quechua community of Bolivia. We conducted a factorial and regression analysis to test our hypothesis, finding the significant factors affecting IWEs' success.

We propose a multidimensional way of measuring success, as perceived by IWEs. In addition, we found the relevant factors that affect IWEs' entrepreneurial success are couple (and help from him/her), market opportunities, personal resilience, market orientation, and perceived self-efficacy. Furthermore, the relevance of the individual sphere factors in contrast to the community ones, was revealed.

This work contributes to the literature, first, by proposing and testing a multidimensional framework measuring the success of IWEs. Second, by explaining quantitatively, and with a very difficult-to-obtain sample, unique to the knowledge of the authors, what are

the relative influence of general and specific environmental, as well as the individual factors, in IWEs' success of Quechua communities.

As implications, policymakers should bear in mind that the main factors affecting IWEs are not that different from the normal entrepreneurship factors one could considered or read in the literature. Instead, analysing market opportunities and having a market orientation, as well as the support from the couple arise as relevant. However, a key element is revealed with a relevant impact in the specific cased of IWEs, such as personal resilience. Consequent with previous studies, the endurance of these women to survive, and to strive regardless of the extremely difficult circumstances where they live, is fundamental to understand their success (Padilla-Meléndez, Ciruela-Lorenzo, Del-Aguila-Obra, & Plaza-Angulo, 2022).

References

- Adebusuyi, A.S., & Adebusuyi, O.F. (2023). Ethnicity and entrepreneurial learning experiences as predictors of entrepreneurial self-efficacy and outcome expectations. *Journal of Enterprising Communities: People and Places in the Global Economy*, 17(3), 749-766.
- Anderson, R.B., & Dana, L.P. (2007). Indigenous Entrepreneurship as a Function of Cultural Perceptions of Opportunity. International Handbook of Research on Indigenous Entrepreneurship. Edward Elgar: Cheltenham (UK).
- Calvo, S., & Morales, A. (2023). Understanding the motives and values of entrepreneurship with indigenous people: The case of indigenous-led social enterprises in Colombia. *The International Journal of Entrepreneurship and Innovation*, 24(2), 105-119.
- Collins, J., Morrison, M., Basu, P. K., & Krivokapic-Skoko, B. (2017). Indigenous culture and entrepreneurship in small businesses in Australia. *Small Enterprise Research*, 24(1), 36-48.
- Croce, F. (2020). Indigenous Women Entrepreneurship: Analysis of a Promising Research Theme at the Intersection of Indigenous Entrepreneurship and Women Entrepreneurship. *Ethnic and Racial Studies* 43 (6): 1013–1031.
- Dana, L.P. (2007). Bolivia: land of Aymarás and Quechuas. In Dana, L.L. and Anderson, R.B. (eds.). International Handbook of Research on Indigenous Entrepreneurship Massachusetts: Edward Elgar Publishing, 445-458.
- Diochon, M. (2014). A baseline study of entrepreneurship among first nations women in the Atlantic region. *Journal of Small Business & Entrepreneurship*, 27(1), 89-112.
- Dzisi, S. (2008). Entrepreneurial activities of indigenous African women: a case of Ghana. *Journal of Enterprising Communities: People and Places in the Global Economy*, 2(3), 254-264.
- Keling, W., Yap, C.S. and Ho, P.L. (2023), "Enterprising tendency and entrepreneurial performance of indigenous Dayak women entrepreneurs in Sarawak, Malaysia", *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 17 No. 4, pp. 940-959.

- Lindsay, N. J., Lindsay, W. A., Jordaan, A., & Mapunda, G. (2006). Indigenous nascent entrepreneur self-efficacy and perceived individual success. *International Journal of Entrepreneurship and Small Business*, 4(5), 605-619.
- Mrabure, R.O. (2019). Indigenous business success: a hybrid perspective. *Journal of Enterprising Communities: People and Places in the Global Economy*, 13, 24-41
- Padilla-Meléndez, A., Ciruela-Lorenzo, A. M., Del-Aguila-Obra, A.R., & Plaza-Angulo, J.J. (2022). Understanding the entrepreneurial resilience of indigenous women entrepreneurs as a dynamic process. The case of Quechuas in Bolivia. *Entrepreneurship & Regional Development*, 34(9-10), 852-867.
- Padilla-Meléndez, A., Plaza-Angulo, J. J., Del-Aguila-Obra, A.R., & Ciruela-Lorenzo, A.M. (2022). Indigenous Entrepreneurship. Current issues and future lines. *Entrepreneurship & Regional Development*, 34(1-2), 6-31.
- Salmon, E., Chavez R, J.F., & Murphy, M. (2023). New perspectives and critical insights from Indigenous peoples' research: A systematic review of Indigenous management and organization literature. *Academy of Management Annals*, 17(2), 439-491.
- Seongbae, L., & R. Brooke. (2013). Gender and entrepreneurial orientation: a multi-country study. *International Entrepreneurship and Management Journal*, 9, 465–482.
- Shoebridge, A., Buultjens, J., & Lila Singh, P. (2012). Indigenous entrepreneurship in Northern NSW, Australia. *Journal of Developmental Entrepreneurship*, 17(3), 1–15.
- Urbiola, A. E., & Vazquez, A. W. (2015). Tradition and change in the labor division of community work: the handmade wool rugs process in a Zapotec indigenous community. *Revista Internacional de Organizaciones*, (15), 97-115.
- World Bank (2023). Indigenous People. Accessed 8 November 2023. https://www.worldbank.org/en/topic/indigenouspeoples
- World Bank. 2023. Bolivia. Accessed 11 October 2023. https://data.worldbank.org/country/bolivia
- Yap, C.S., Keling, W. and Ho, P.L. (2023), Determinants of entrepreneurial performance of rural indigenous women entrepreneurs in Sarawak, Malaysia. *Gender in Management*, 38(3), 337-356.