The Determinants of Female Entrepreneurship in Japan

by Ayumi Inaba, and Shing-Wan Chang

Introduction

Although the number of business owned by women has increased worldwide, Japanese female self-employment rate is rather low (Welsh, Memili, Kaciak, and Ochi 2014). This study aims to incorporate three variables, gender stereotypical perception and online social capital along with gender, into Ajzen's (1991) theory of planned behavior model and to determine their impacts on female entrepreneurial intention in Japan.

Theoretical Framework

In Japan, there has still been a social norm, which considers business as a male activity and housework as a female obligation (Shneor, Camgöz, and Karapinar 2013). Gender role perception in Japan has been ranked the second strongest in the world (Hofstede, Hofstede, and Minkov 2010), and this perception has influenced on Japanese behaviour. For example, females tend to prefer kinship rather than social networks, due to their perception of family-oriented role. In this sense, an individual who has stronger gender-stereotypical perception and also intends to be an entrepreneur may possess *"masculinity"* regardless of

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their real gender (Chamorro-Premuzic, Rinaldi, Akhtara, and Ahmetoglu 2014). Moreover, it is vital for entrepreneurs to access social capital, which is the resource to provide useful social networks for the business opportunities and information (Rosenthal, and Strange 2012). As such, entrepreneurs with *"masculine"* mind are expected to have higher attentions to access social capital than *"feminine"* individuals.

However, because online communication tools allow people to interact with each other ubiquitously, nowadays people may be able to reach social capital more easily (Li, and Chen 2014). In particular, women tend to engage in social media activities more often than men (Ellison, Vitak, Gray, and Lampe 2014), implying that females may access social capital via social media better than males.

H1: Gender-stereotypical perception has a positive impact on online social capital.

H1a: H1 is stronger for female entrepreneurs than for male entrepreneurs.

Subsequently, this gender stereotypical perception is considerably related to Japanese social norm, hence entrepreneurs, who have *"masculine"* personalities, will be strongly expected from their surroundings (for instance, family, friends) to venture new businesses.

H2: Gender-stereotypical perception has a positive impact on subjective norm.

On the other hand, while individuals access online social capital for entrepreneurial activities, they may not only receive expectations from their surroundings, but also become

confident of their capabilities as well as those opportunities to launch their own business.

H3&H4: Online social capital has a positive impact on (H3)subjective norm; and (H4) self-efficacy.

Additionally, prior studies state that subjective norm and self-efficacy are positively related to entrepreneurial intention (Ajzen 1991).

H5&H6: (H5) Subjective norm; and (H6) Self-efficacy are positively related to Entrepreneurial intention.

Research Methods

The measures of the five constructs, namely access to online social capital, gender-stereotypical perception, subjective norm, self-efficacy, and entrepreneurial intention, were adapted from earlier entrepreneurship research, using seven-point Likert-type scales. A total of 426 survey respondents were obtained in Japan, consisting of 243 current business owners and 183 nascent entrepreneurs. Structural Equation Modeling (SEM) was conducted to test the hypotheses. The moderation effect was assessed using Independent Samples *t*-Test.

Results and Discussion

The sample profiles comprise males (51.4 percent) and females (48.6 percent). Harman's single-factor test verified that the data had no common method bias problems. The CFA model fit was good (*CMIN/DF* =1.872, *RMSEA* = .045, *GFI* = .94, *TLI* = .956, and *CFI* = .965). Additionally, Convergent validity, and Discriminant validity were confirmed. The

SEM model fit indices showed satisfactory (CMIN/DF =2.327, RMSEA = .056, GFI = .928, TLI = .933, and CFI = .947).

Then, structural model analysis indicated that all hypothesized paths (*H1-H6*) were significant (p<.05) with positive path coefficients (β >0), supporting *H1-H6*. In lights of moderation effects, *t*-values of male and female subgroups indicated that the path of gender-stereotypical perception → online social capital was significantly (p<.05) stronger for female entrepreneurs than for males (β =.222 (Male) < .348 (Female)), supporting *H1a* .

In sum, the main findings of this study are: 1) Japanese entrepreneurs characterized by *"masculinity"* perceive stronger subjective norm regardless of their actual gender. 2) Online social capital can positively influence individuals' subjective norm and self-efficacy to start new business. 3) Females may be able to access social capital via social media better than males, suggesting that female entrepreneurial intention in Japan may be improved by enhancing their social media usage and reducing the gender stereotypes.

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