

CASE STUDY ON AFRICAN AMERICAN FEMALE ENTREPRENEUR: THE ROLE SOCIAL, EMOTIONAL, FINANCIAL AND PHYSIC SUPPORT

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ABSTRACT

To identify the effects of a successful African American female entrepreneur background on their desire to become an entrepreneur and identify the factors that led to her success. It is therefore essential to understand the underpinning causes that encourage female entrepreneurship among an African-American female, but also those actors that are somehow limiting and restrictive of their growth. This review discusses the impact of factors like emotional support, financial support, social support, and psychic support on African American female entrepreneur.

KEYWORDS: *African American Female Entrepreneur, Women Entrepreneurs*

Article History

Received: 17 Dec 2018 | Revised: 24 Dec 2018 | Accepted: 03 Jan 2019

INTRODUCTION

Entrepreneurship is lifting broad segments of the population out of poverty all over the world. And the role of women, especially African-American women, has not been recognized. In the United States, 2.9 million firms are majority-owned by women of color. These firms employ 1.4 million people and generate \$226 billion in revenues annually. (National Association of Women Business Owners (2017). Overall, more than 9.4 million firms are owned by women, employing nearly 7.9 million people, and generating \$1.5 trillion in sales as of 2015". Women-owned businesses are projected to account for as much as fifty percent of the 9.72 million new jobs created in the Small and Medium Enterprises (SME) sector by 2018

Female African American entrepreneurs accounted for 36.7% (2.9/9.4) of the firms, they brought in only 15% (226/1500) of the revenue. This, based on a simple naïve assumption, may be indicative of the fact that Female African-American entrepreneurs need support to help them generate more income and thereby contribute more to the economy.

While some research has looked at the success of these Female African-American entrepreneurs, there is a dearth of research using an in-depth study that explores, through an interview, what it takes, in terms of commitment and personal sacrifices, for Female African-American entrepreneurs to become successful. This study goes behind the figures to present a "real life" picture.

It is therefore essential to understand the underpinning causes that encourage female entrepreneurship among African-Americans, but also those factors that are somehow limiting and restrictive of their growth. This case study

discusses the impact of factors such as spousal emotional support, faith, work life balance and mentorship on African American female entrepreneurship.

RESEARCH METHODOLOGY

This research was conducted using a case study approach, where the case of one subject was studied in-depth using both interview methods and personal observation method. A case study enables the examination of a typical case in a comprehensive manner and helps the researcher to arrive at an understanding of the situation and the role of the variables in the given situation. The subject in the case of 51-year-old African American Female from Washington, who possessed an undergraduate degree in Accounting. She was the owner of several businesses – she owned and operated an Accounting and Compliance business; two real-estate investment ventures; another real-estate company that invests in residential property and which she owns jointly with other family members; and a strategic planning and business growth and executive coaching company which has an additional add-on business in the form of a unit for co-working facility for female entrepreneurs.

Direct personal interview method was employed to collect data from the research participant.

FINDINGS AND DISCUSSIONS

The reason that the subject started her business was that she saw a market need that she thought she could fill. She initially worked for a government contracting firm, which gave her an insight into the difficulties that such firms had in understanding and complying with the financial guidelines. The following provides a discussion and analysis of the support system that may have enabled her to sustain her business enterprise and to grow over time.

Emotional Support

The interview highlighted the fact that the subjects' husband provided emotional support and encouragement. He was emotionally supportive when she wanted to leave her workplace due to perceived discrimination against her being an African American female, and also when she started her own business. She and her husband mutually supported each other to earn CPA certification (for her) and graduate degree (for him). Her husband's emotional support was manifested in the way they continued to make time for each other and go on dates, as seen from the following statement,

"I do things like we have my husband I have a date night that goes on the calendar and is a regular consistent evening every week."

On Sundays, and during afternoons, her family leaves her completely alone to enjoy some me-time. The tendency to set aside couple time and to interact regularly and openly with each other has been found to be an intimate aspect of marriages where women's careers have been given precedence over their husbands' (Halpern & Cheung, 2008). Throughout her marriage, there was a lot of emotional support from her husband and very little scope for conflict. Other researchers have also reported similar findings, where emotionally supportive husbands were cited as one of the crucial reasons for their success at business by their wives (Halpern & Cheung, 2008). In families where the male spouse was open to making sacrifices to support the wife, there was found to be a greater likelihood of the women's career taking off to greater heights (Blume, 2006). Other researchers have found that in comparison with male African-American entrepreneurs, their female counterparts performed low on firm performance and task-specific efficacy (Gibbs, 2014); while other researchers have tried to pin down the differences or causes of low performance to individual and personal

factors like lack of social and emotional and material support available to the female entrepreneurs (Juma&Sequeira, 2017).

Even during early childhood, she bonded with her father who encouraged her independent nature and determination. Later, during the time her children were growing up and also while she was studying accounting and doing other skill enhancement courses, her mother provided both material and emotional support.

Financial Support

The subject's business was initially started in the basement of her house, with her family members' support, and it was only after 9 years that she was able to move out to an office complex. This was initially only possible through her husband's support and enabled her to operate at low-costs and save on office rent. However, this can also be considered as a drawback, since the business was segregated and could not be a part of agglomeration and lose out on opportunities that may have come from being located on a business street; a fact found to be playing a limiting role in most African-American female entrepreneurs' success (Rosenthal & Strange, 2012). Female owned businesses have been found to be segregated to a large extent owing to the preference or necessity of female entrepreneurs to stay close to their homes and spend less commuting time, as they are burdened with more child-raising and household tasks.

In the current case though, the subject's husband was materially supportive and her managing her business from home was not the result of lack of support from her spouse. In addition, her husband supported her financially, and his creditworthiness always positively impacted the business's ability to raise money. Together, they were able to manage their finance as well as generate the money needed to invest in the business.

"I'm married to a man who is just anal about money as I am. So he had great credit. I mean not everybody can say that but you know ...you know the two of you have good credit."

On the financial front, the subject did not encounter conflict with her spouse as both had the same attitude and aptitude for financial planning. Other researches have too found that men who do not feel intimidated by women who are equal or more in status to them are able to provide good support in terms of fulfilling financial as well as emotional needs (Gilbert, 1988; Vannoy-Hiller & Philliber, 1991; Halpern & Murphy, 2005). Cheung and Halpern (2010) have found that in the case where men take a 'trailing spouse' approach, the chances of success of women in their careers are higher.

Social Support

In addition, she received emotional and even practical support from other family members as well. Her mom moved in with them to care for the kids. Her brothers helped her with the business. She mentioned:

"I mean my mom like I said lives with me one of my brothers worked for me for a period of time. Another brother owns two other brothers owned businesses and I've been able to help them so as is strengthen those relationships."

Having access to the extended family has been found to provide substantial support to women to enable them to reach to the top of their profession, by relieving them of much of the child-care and household work related burden and stress (Cheung and Halpern, 2010).

The subject has a well-developed network of social support system, which has stood her in good stead in terms of her business. For example, she mentioned, "I started tapping into my network and my network actually refers business to me. And so that's how I was able to leave and start working as a consultant without having (any money)". Her ability to

form working relationships has continued to support the business: “90 plus percent of my business has been word of mouth referral my marketing has been through the development of strategic partnerships so form relationships with attorneys bankers benefit companies human resources organizations associations chamber of commerce small business development centers I create relationships and through those relationships I've gotten referrals.”

The subject also displayed a knack of acquiring mentors, especially female mentors throughout her life, who were instrumental in keeping her grounded and focused on her business aims.

She also reported getting support from friends:

“But on the other side...I still have my friendships from high school that you know even this we can we get together. So there's definitely been an impact as a woman and a minority woman in business”

The subject mentioned using a mastermind group where she is able to talk about her issues and discuss problems and expect to get insights. She also keeps in touch with other entrepreneurs so as to both learn from them and help them with her experiences. She also gets to unwind with her girlfriends. “I spend the time I have time on the calendar with my girlfriend so I have my outlet for the last four years. I travel with 40 women 40 women Yepes girlfriends get away.”

However, the interview highlighted the fact that much of the social support was built and managed by the subject with little or no contribution from her spouse’s network of friends.

Psychic Support

The subject has firm and active faith in God and has taken solace and guidance through spiritual means. She takes time off to meditate, regularly prays and also actively engages in retrospection. Her complete faith in God and the belief that God supports and steers her decisions has enabled her to gain confidence in herself and also have faith in other people. In previous researches too, it has been found that faith plays a strong role in sustaining entrepreneurship among African-American women (Parker, 2004). Sims et al (2015) found that African American women entrepreneurs who expressed firm belief in God and were indulged in religious practices and prayers regularly had a more positive perception of themselves and their abilities. Some research from other countries, like Ghana too has corroborated these findings, where women entrepreneurs’ faith in divine power held them together in times of problems and enabled them to succeed as entrepreneurs (Reid, Roumpi and O’Leary-Kelly, 2015).

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