

Impact of Educational Attainment on the Development of Female Entrepreneurship in Kazakhstan

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Abstract

Background/Objectives: The study is aimed at developing a system of measures helping to overcome the difficulties in the educational field influencing business activities of female entrepreneurship in Kazakhstan. **Methods/Statistical Analysis:** Sociological representative surveys focused on the female entrepreneurs' educational level assessment and influence of education on female entrepreneurship in West Kazakhstan. Characteristics of female entrepreneurs as a social group were analyzed quantitatively by the sampling survey method. Qualitative analysis of female entrepreneurs' relation to the business environment and practical explanation of education impact on the women's involvement in business were conducted by focus group method. The entrepreneurial workers' educational level was analyzed qualitatively by in-depth structured interviews. **Findings:** The paper presents the results of sociological research aimed at the determination of the proportional ratio and interdependence of the level of education and the sphere of activity of female entrepreneurs of the Republic of Kazakhstan. It states the low level of vocational training of female entrepreneurs in Kazakhstan, which leads to the inability to make well-founded decisions, poor awareness of the activities of organizations supporting and developing the business. This study emphasizes the need to use effectively the potential of female entrepreneurs, as one of the main factors of a perfect enterprise management system, by improving the quality of education, developing the level of intellectual potential and professionalism. The concept of studies allows evaluating the basic educational strategy specific to female entrepreneurship of Western Kazakhstan: development (additional education) or survival (adaptation to the existing conditions and refusal from further development). **Applications/Improvements:** The proposed directions to support the female entrepreneurship will help to reveal the economic and creative potential of female entrepreneurs, to increase their business activity effectiveness, the level of professional competence and competitiveness in the global labor market, contributing to the general development of Kazakhstan economy.

Keywords: Business, Business Education, Female Entrepreneurship, Training

1. Introduction

Women entrepreneurs are a modern phenomenon of economic and social life. Education is a crucial factor when a woman decides to start her own business and be able to run it successfully, ensuring a constant profit

growth. Today most women entrepreneurs do not have professional education, and their activities are not connected with the vocational training they obtained. Quite often the papers devoted to the female entrepreneurship claim that female approach to solving many financial and administrative problems is greatly influenced by their

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lack of the knowledge required for this. Without essential knowledge of how to respond to certain business difficulties, women have to demonstrate elements of innovative behavior. What's more, a business success of a woman entrepreneur is to a great extent determined by the training she receives.

- **Research objective:** To study the impact of women entrepreneurs' education on their business.
- **Tasks:** To identify the characteristics of the educational attainment of the women entrepreneurs in the Republic of Kazakhstan; to determine the impact of education on various aspects of female entrepreneurship.
- **Scientific Novelty:** the paper defines the characteristics of education of women entrepreneurs in the Republic of Kazakhstan as well as analyzes the impact of educational attainment on women entrepreneurs' business activities.
- **The Hypothesis of the Study:** The higher the educational attainment of women entrepreneurs is, particularly in the field of management, the more successful their businesses are. Increasing the female level of education will promote the efficiency of their business activities, and boost the development of small business in the region as a whole.

2. Literature Review

In the post-Soviet period research on characteristics of businesspeople as a social group, the functional specificity of their activities, business motivation, creating a social portrait, revealing their socio-demographic, educational and other characteristics as well as specific personality traits has been carried out¹⁻⁵ by others. The issues of entrepreneurship are considered in the works of many Kazakhstan scientists⁶⁻¹⁰

The phenomenon of female entrepreneurship has been studied in Kazakhstan since the 1990s. In this respect, the most significant works belong to S.A. Balvaniyazova¹¹, Zh.A. Nurbekova¹², R.B. Sarsembayeva¹³ and S.M. Shakirova¹⁴. These papers consider various aspects of studying entrepreneurship in the context of the efficient use of female labor potential, solving the problem of unemployment, and overcoming gender inequality. As for business educational technologies, the greater emphasis is now placed on the lifelong education of managerial staff.

In his study of female entrepreneurship in West Kazakhstan Region¹⁵ concludes that the majority of unemployed women do not have higher or professional education. This hinders the development of female business. In this regard¹⁶ notes that compared with other countries, the unemployed women in Kazakhstan have the highest level of education.

3. Methodology

Sociological research in the form of a representative survey aiming at the assessment of the educational attainment of women entrepreneurs and the impact of education on female entrepreneurship in West Kazakhstan Region (WKR) included:

- Questionnaire survey in twelve districts of WKR for the purposes of quantitative analysis of the characteristics of women entrepreneurs as a social group in WKR. The respondents were the owners, directors of small and medium-sized businesses, and peasant farm enterprises (PFEs). The sample is representative, quota and stratified (N = 8790.5 thousand people, n = 468, error – 5%, 2013);
- Focus groups in the city of Uralsk and Daryinsk settlement in WKR for qualitative analysis focused on the women entrepreneurs' perception of business conditions and finding correlation between education and the female involvement in business (n = 14, 2013, 2014);
- In the form of deep structure interviews involving oral answers of the respondents (women – business owners) to free-answer questions asked by the interviewer to provide qualitative analysis of the educational attainment of the entrepreneurs (n = 8, 2014).

The structure of the sociological research questions aims at identifying the educational attainment of business owners, its correlation with the field of business. The survey included the following categories: general characteristics of the respondent, education obtained the need or inclination to get further training, both the basic and additional one, the educational attainment of subordinates and colleagues.

4. Results of the Sociological Research

To the survey question about the type of business their company belongs to, 77% of the respondents answered that they are self-employed entrepreneurs. Small business

accounts for 13% of respondents, while 4% of the respondents work in midsize companies, 6% of people who took part in the survey work in PFEs (Table 1).

The study showed that one in four women, engaged in entrepreneur activities in WKR, does not have a complete higher education. In the surveyed group, 12% of women entrepreneurs have secondary education only. Distribution of answers given by women entrepreneurs illustrating their educational attainment is presented in Table 2.

Table 3 represents the information on whether the field of current activities is the same or differs from the training obtained. Since the majority of women entrepreneurs in the Republic of Kazakhstan studied during the Soviet period when subject matter specialists were

Table 1. Distribution of the respondents' answers according to the type of business

What type of business does your company belong to?	In the array, %
1. Self-employed entrepreneur	77
2. Small business	13
3. Medium-sized business	4
4. Peasant farm enterprises	6

Table 2. Distribution of respondents by educational attainment

Education	Number of people in the sampling	Sample proportion (%)
Academic degree	21	4
Complete higher	336	72
Undergraduate	56	12
Secondary	54	12
Incomplete secondary	1	0

Table 3. Distribution of answers on the area of business matching women entrepreneurs' education

Answers	Number of People in the Sampling	Sample Proportion (%)
Matches	138	29
Matches partly	143	31
Does not match	187	40

in demand in major industries, the area of their current business activities in most cases does not fall together with their education, or they overlap only partially: 40% do not match, 31% partly match, and 29% match completely.

Most of the respondents carry out training of their staff in one form or another. Only 31% of the respondents are not engaged in personnel training, 39% of the respondents train staff in-house, one fifth of the survey participants organizes training both in-house and sends their employees to advanced training, 10% trains their staff outside the company. The distribution of answers to the question concerning the further training of the staff is represented in Table 4.

All in all, we can conclude that women entrepreneurs themselves clearly understand the importance of further education. That is, in favorable conditions, one can expect they will be interested in not only increasing the educational attainment of their employees, but also their own professional level.

Only a quarter of the survey participants said that they employ highly qualified staff. Two-fifths of the respondents work with the staff which needs training due to insufficient qualifications. 38% of the respondents believe that if they pay good wages, then they will be able to hire qualified staff. This answer is more characteristic of the survey participants focused on stable business.

The survey showed that most frequently women entrepreneurs in WKR start either from scratch or from small businesses. Women starting a business are not likely to obtain additional business education in specialization courses. They sometimes do an internship or a highly

Table 4. Distribution of answers on the staff further training

Answers	Number of People in the Sampling	Sample Proportion (%)
Yes, we organize in-house training	184	39
Yes, we organize in-house training and send our employees to advanced training	90	20
Yes, we send our staff to advanced training courses	47	10
No, we do not organize any	147	31

specialized graduate course connected with their professional activities. In total, the female entrepreneurship does not constitute a large proportion of the middle-sized business, and there are no women entrepreneurs in the segment of large business of the region. The interview, conducted as part of sociological research, presents the answers to questions about starting and running their business (Table 5).

According to the information presented in the interviews, we can conclude that most women entrepreneurs have higher education and work experience¹⁷.

In general, the respondents state the lack of business training which is typical for many women involved in entrepreneurial activity. The lack of economic education leads to the inability to make original decisions, poor awareness of how the organizations aimed at supporting business development can help them. Most interviewed women entrepreneurs had higher education. However, holding a university degree does not mean being able to solve financial and management issues competently. Only one of the interviewed women has established a company with the area of activity matching her training or which was at least in the same field.

However, despite the fact that when establishing a company, the training obtained was rarely considered, the women entrepreneurs highly appreciated a university degree, perceiving it as a prerequisite for successful entrepreneurship. As for additional training directly related to business activities, the respondents did not wish to receive further education, at least until they are forced to do so. The reasons they name include the already well-established business model they have created, using their own experience.

The analysis of the focus groups results showed the following:

- All the respondents when asked about education of their staff indicated that working with people who lack special knowledge and skills was not easy. In almost all cases the businesswomen explained that they had to train employees by themselves, in-house. Thus, we can say that, in spite of having no higher education, most women fully appreciate the importance of specialized knowledge in their professional field.
- Almost all respondents mentioned that there could have been much fewer errors at the initial stage of their business development if they had had adequate knowledge before starting it.
- As a result, all women came to the conclusion that the possibility of obtaining additional education was vital: both the courses and at special organizations providing co-operation and support for female entrepreneurship.¹⁸⁻²⁰

Access to entrepreneurial education in rural areas is an increasingly pressing issue. According to the survey of the focus group in the village of Daryinsk, women living in rural areas are poorly informed about different educational opportunities, including courses and programs. In addition, they cannot afford to leave to study for a long time since most of them are the key figure in their own business and cannot delegate their responsibilities to anyone. A woman entrepreneur frequently works alone, without hiring other employees. The situation is aggravated by the fact that in the rural areas of WKR access to the Internet is strongly limited. Thus, even if businesswomen are willing to study, there are serious obstacles that prevent them from accomplishing this goal.

Seminars, workshops and forums are quite rare; there is no access to the necessary business information on the changes in the legislative and normative regulations in entrepreneurship, accompanied by lack of teaching materials on business. All this confirms a significant impact of educational factors on the development of rural entrepreneurship, including businesswomen.

Thus, the survey and further elaboration of the results through the focus groups method allowed us to discover the following:

- 1) Women entrepreneurs are typical to get economic education.
- 2) The level of education influences the following business characteristics:
 - Type of business. The majority of women entrepreneurs in WKR, have small or, most rarely, medium-sized businesses;
 - Area of business. As noted above, in most cases the businesswomen work in small-scale retailing and small enterprises in public catering, restaurant business, and beauty industry;
- 3) An opportunity to receive additional training is incredibly important as many businesswomen lack systematic knowledge, skills and experience concerning starting and managing their business on the market.

Table 5. Informants' answers on education obtained by them

Informants	Business Area	Educational Attainment. Degree in Economics / Business training	Education Matching the Business Area.	Requires Further Training	Assessment of Subordinates and Staff Educational Attainment
Inf1	The director of a large construction company since 2009 (defines it as a medium-sized business)	A University of Civil Engineering graduate. No additional business training.	Thinks her education matches the business area.	Says that definitely she lacks some knowledge of law and economics.	It is OK, they have experience, each person takes the right place. Maybe someone needs additional knowledge or to improve their skills, but she cannot send them away from work.
Inf2	The founder of the company working with security systems since 2004 (defines her company as a small business)	A university graduate. No additional business training.	No	Is planning to improve her qualification	Emphasizes the importance of her staff's qualifications
Inf3	A salon owner since 2010 (defines her company as a small business)	Higher education, but not related to economics/business	Obtained education does not fully match the area of activity, but she did advanced training courses on business	Is planning to improve her qualification	Salon staff was trained in St. Petersburg. The salon positions itself as VIP, therefore, training of personnel was a matter of great importance.
Inf4	The café owner since 2003 (defines her company as a small business)	Trading Technical College. No additional business training.	Yes	Says it is too late for her to get additional training or do a new course.	Says she has a great cook, they teach their staff in-house.
Inf5	Peasant farm enterprise since 1998. (defines it as a small business)	Basic education. No additional business training.	Believes her education matches the area of activity	Sees no need for that as she can teach herself everything now.	Has no time for this.
Inf6	Director of the confectionery factory since 2002 (defines it as a small business)	Has obtained some education, but not business one.	Now her education matches the business area as she has done many different courses.	She has been in the business for almost 12 years, has accumulated a considerable work experience.	Has a problem with staff. In most cases staff does not have required skills but can undergo training. Times are changing and it is important to meet clients' needs and requirements.
Inf7	Hospitality since 2007 (small business)	A university degree in economics.	Matches to a certain extent	It is necessary to do additional courses since they have many international clients.	Lack of professionals. There is no adequate training in hospitality/catering.
Inf8	Self-employed entrepreneur, Oriflame make-up distributor.	University degree in humanities	Perhaps no	Hard to answer, no such need at the moment.	No staff, she works alone.

Due to the lack of specialized knowledge required for starting a business, many entrepreneurs face problems at the very stage of their business registration.

- 4). Insufficient information both women entrepreneurs and the society have on tax, legal and economic issues of entrepreneurship.

The informants running businesses which do not imply interconnected contacts and relations stated it was necessary to consolidate at least at the lowest level: for example, at information sites on the Internet. Here is a direct quote: “We only know about each other and that’s all. No-one is trying to establish a closer contact with their partners, but it is necessary. Having any site would do... We are totally disunited.”

5. Discussion

Numerous studies conducted in Kazakhstan demonstrate that education plays a crucial role in a woman’s decision to start her own business and her ability to run it with a constant profit growth.

In 2013, according to the sociological research of the Association of Business Women of Kazakhstan, the women entrepreneurs in the country were characterized by high proportion of professionals with higher education. The most successful women entrepreneurs with higher education, including doctorate degrees, made 30% of the total number of people who participated in the survey. Approximately 44.8% of women entrepreneurs had higher education, incomplete higher education – 4.6%, vocational secondary education – 16.9%, general secondary education – 2.2%, or eight years of school education – 1.2%.

The obtained results of the surveys among the women entrepreneurs in WKR do not fully correlate with the data of the Association. Only 25% of women doing business in West Kazakhstan have incomplete higher education. 12% of businesswomen have only secondary education, another 12% – college. So, we can say that the women of West Kazakhstan who run a business take their education seriously and implement their plans to the extent possible in the current conditions.

The data of our study showed that the higher the educational attainment is, the higher is a chance that a woman has her own large business in the service sector. Moreover, the higher level of education correlates with a growing interest of women entrepreneurs to hire

qualified staff, as well as the desire to obtain further education in their professional field. It can be stated that the growth of business and increasing level of education are factors that influence each other. Women with higher education more often perceive their business as an inherent value. They more frequently see their own business as an opportunity for self-realization, for them the prestige of their own business and activities is higher.

6. Conclusions

It is not typical of women at the beginning of their entrepreneurship activities to obtain additional business education in specialized courses. In rare cases, they undertake an internship or study at courses. Most respondents have been running their business for more than five years, while the funds to support the development of SMEs in Kazakhstan, which also aim at the creation of educational courses, have become really active only after 2005. Here one should keep in mind that the development of these programs started in the Central and Southern Regions of Kazakhstan, the capital and major cities. WKR, mainly rural and located at the border, is characterized by a later introduction of new trends. Thus, it was more difficult to obtain economic education before running a business, and there were no crash courses at all. Courses for aspiring entrepreneurs are being created only at present moment.

The study of female entrepreneurship in WKR which included interviewing the businesswomen let us discover the following:

- One in four women, running business in WKR, does not have complete higher education;
- 28% of the respondents have not done a job matching their education;
- The current area of business female activity in most cases is different from the previously obtained education;
- The majority of respondents train their staff themselves in one form or another;
- Women entrepreneurs understand the importance of additional education; it can be expected that in favorable conditions they will be interested in not only increasing their employees educational attainment, but also their own professional level;
- All respondents stated the lack of economic education. Summing up, we can give some practical advice which

could help to overcome difficulties concerning women entrepreneurs' education:

- To develop programs of additional vocational training: retraining professional and development programs, seminars, workshops, exhibitions, fairs;
- Use the potential of distance learning;
- To provide access to experts who are ready to conduct individual and group counseling for women about business, law and market issues;
- An additional option –to organize business internships abroad for women entrepreneurs to ensure the transfer and adaptation of technologies of the leading countries;
- To develop and implement training programs of business basics for women entrepreneurs – to develop centers of innovative knowledge and practices of starting and running a business;
- To open counseling centers for women entrepreneurs in rural areas of Kazakhstan;
- Promote female entrepreneurship in the Internet which includes publishing materials highlighting various issues of female entrepreneurship ; creation of female business pages in the Internet;
- Scientific research on the problems of the theory and practice of female entrepreneurship.

The proposed measures of female entrepreneurship support can reveal the economic and creative potential of women entrepreneurs, increase their professional competencies and competitiveness in the global labor market, facilitate the effectiveness of their employment in the field of entrepreneurship, significantly reduce the rate of unemployment among the population and, thus, contribute to the overall economic development of WKR.

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