

Research on Chinese Female  
Entrepreneurs' Leadership  
--From the Perspective of  
Empowerment

EFO705 Master Thesis in  
School of Sustainable Development of Society and Technology  
Mälardalen University, Västerås, Sweden  
Supervisor: Tommy Torsne  
Authors: Wang Qi  
Zizheng Ding  
Group Number: 2026

## Abstract

**Date:** June 26, 2008

**Level:** Master Thesis in International Business and Entrepreneurship, 15 credits

**Authors:** Zizheng Ding [zdg07001@student.mdh.se](mailto:zdg07001@student.mdh.se)

Wang Qi [qwg07001@student.mdh.se](mailto:qwg07001@student.mdh.se)

**Title:** Research on Chinese Female Entrepreneurs' Leadership  
--From the Perspective of Empowerment

**Supervisor:** Tommy Torsne

### Research Questions:

1. What is the link between female entrepreneur's leadership and empowering way of management?
2. Do Chinese female entrepreneurs tend to apply empowerment to their management? And how?

### Purpose:

The purpose of the paper is to understand the connection between female entrepreneurs' leadership and empowerment in the context China, based on theories of leadership and entrepreneurship.

### Method:

The thesis is based on the feminist research by presenting 6 qualitative case studies of Chinese female entrepreneurs.

### Conclusion:

1. There exists a necessary link between female entrepreneurs' leadership and empowering way of management.
2. Chinese female entrepreneurs tend to apply empowerment to their management.
3. The empowerment occurs under certain situations.

### Keywords:

Female Entrepreneur, Leadership, Transformational leadership, Empowerment

## Table of Contents

<b>Acknowledgement</b>	<b>4</b>
<b>1. Introduction</b>	<b>5</b>
<b>1.1 Background</b>	<b>5</b>
<b>1.2 Research Question</b>	<b>7</b>
<b>1.3 Target group</b>	<b>8</b>
<b>2. Methodology</b>	<b>9</b>
<b>2.1 Research Design</b>	<b>9</b>
<b>2.2 Research Approach</b>	<b>9</b>
<b>2.3 Research Strategy</b>	<b>10</b>
<b>2.4 Research Method</b>	<b>10</b>
<b>2.5 Limitation</b>	<b>11</b>
<b>3. Literature review</b>	<b>12</b>
<b>3.1 Empowerment</b>	<b>12</b>
3.1.1 Empowerment and Power	12
3.1.2 Empowerment and Leadership	14
<b>3.2 Female Entrepreneur</b>	<b>15</b>
3.2.1 Entrepreneur	15
3.2.2 Female Entrepreneur	18
<b>3.3 Female Leadership</b>	<b>20</b>
3.3.1 Leadership	20
3.3.2 Transformational Leadership	21
<b>4. Conceptual Framework</b>	<b>23</b>
<b>4.1 Conceptual Framework Figure</b>	<b>23</b>
<b>4.2 Interpretation of Framework</b>	<b>24</b>
<b>5. Case Telling and Analysis</b>	<b>25</b>
<b>5.1 Case 1</b>	<b>25</b>
<b>5.2 Case 2</b>	<b>27</b>
<b>5.3 Case 3</b>	<b>29</b>
<b>5.4 Case 4</b>	<b>30</b>
<b>5.5 Case 5</b>	<b>31</b>
<b>5.6 Case 6</b>	<b>32</b>
<b>5.7 Analysis</b>	<b>33</b>
<b>6. Conclusion</b>	<b>35</b>
<b>7. Reference List</b>	<b>36</b>
<b>8. Appendix</b>	<b>41</b>

## **Acknowledgement**

Firstly, we would like to express our deep appreciation to our tutor Tommy Torsne for his tremendous patience and invaluable guidance and advice. Sincere thanks also go to Dr. Leif Linnskog for teaching and instructing us in the entire master's programme.

Thanks must also be extended to our interviewees. Although they were busy in their business, they still provided considerable warmth and new ideas for our research.

However, no one but we should be responsible for the thesis results and for any mistakes in the pages that follow.

# 1. Introduction

## 1.1 Background

Management is indeed a broad subject that embraces many branches and topics. And the most important and interesting thing here is that within management study, people are able to explore new fields which stem from certain contexts and changing situations. That is to say, even though many core principles of management may be similar, different contexts and background could make managerial behaviors diverse. Meanwhile, changing situations in general environment engender new contexts, which push people to reconsider their preexisting thoughts of management and find out new phenomenon and its reason.

Gender perspective within management study is not a new topic and plentiful academic publications about feminism research have been published in recent years. This matches the trend that the society has drawn more attention in gender equality, which to larger extent helps women eliminate their subordinate social status to men. It is doubtless that the rising consciousness of gender equality lets people put more attention on female role in management. Nowadays, the numbers of female executives and entrepreneurs have rapidly grown in the world (Wells 1998; Bird & Brush 2002; Kalleberg & Leicht 1991), and this situation should grant favorable climate for research on their management. Research on female entrepreneurs' managerial character including their leadership is not very often touched upon in academy as it should be, and we attempt to provide vertical understanding of this field from the particular perspective of empowerment. Leadership actually consists of various aspects, but our interest here is to understand the linkage between female entrepreneur's leadership and the empowering way of management. In other words, this paper picks up empowerment as the 'key' to vertically understand female entrepreneur's leadership.

As mentioned in the beginning, the context is potential to determine the process and results of our research on the leadership of female entrepreneurs, so we hereby locate the investigation in Chinese female entrepreneurs. As background knowledge, a brief introduction of Chinese gender tradition and current situation comes next.

As one of the world's oldest continuous civilizations (Farndon 2007), China's development and Chinese culture are unique, compared to the rest of the world. Regarding to gender tradition of ancient China, women were obviously subordinate to men and had much lower social status than men, same as other parts of world in ancient times. Women's rights of equally accessing to education, occupation and social activities were deprived of. (Liu 1995) For instance, old sayings like '*Ignorance is a woman's virtue*' are passed on. And this tradition of gender inequality

has been through most time of Chinese history and influences people's consciousness of woman. However, the modern sense of liberation of women firstly happened in the end of feudal times at the beginning of 20<sup>th</sup> century. (Wang 2003) Womenfolk started to call for equal rights as men, and obvious improvement occurred in the society. Female were able to accept normal education and participate in labor market. Yet traditional mind in gender role still had huge impact in the society. (ibid)

Since the Communist Party began its regime in 1949, gender equality, which conforms to its ideology and task of industrialization, has been written in the state's constitution.<sup>1</sup> Then womenfolk's equal rights of accessing to social resources are supported and protected by the Chinese government. The number of female executives working in the government and state-owned corporations consequently rises, especially in urban areas. Saying like 'Woman can hold up half the sky' has become popular. Yet there still exists the phenomenon of gender inequality in planned economy period, which mainly came from 2 reasons. Firstly, traditional mind of gender role, which stays deep in mind, could not be gotten rid of within short term. Secondly, the underdeveloped social economy in typical planned economy period was not able to give women big stages in labor market. (Ye & Liu & Du & Xia 2003) These two factors have intertwined, so womenfolk particularly in rural areas in practice could not enjoy relative gender equality that is essentially protected by the government.

The enhancement of women's social status has been further improved after launching the market-oriented reform in 1978. The society has endowed more opportunities and more open atmosphere to women for developing their career life. Meanwhile, if we put this information in context of China's economic development, which has been the fastest-growing major nation for the past quarter of a century with an average annual GDP growth rate above 10% (McDonald 2007), we should realize that till 2001 women labor force contributes to the state's total GDP above 40% (Li 2002). Due to the efforts that done by the central government, achievements have been apparent, which can be seen in the following source:

*In 1980s, the group of Chinese female entrepreneurs only takes up 10% among the total number of Chinese entrepreneurs. Till 2007, the percentage has increased to 20%, and female entrepreneurs are consisted of 41% female entrepreneurs working in individual and privatized economy. And 60% female entrepreneurs are created after 1996. Middle-age woman is the mainstream of Chinese female entrepreneurs, since 70% of them are above 40 years old. In general, Chinese female entrepreneurs have*

---

<sup>1</sup> Communism ideology in principle claims gender equality, which should be the basis of families and the society, and this principle can be found in *Communist Manifesto*.

Industrialization in essence requires plentiful labor forces, and women labor force plays important role in social economy. In order to achieve industrialization, women labor forces need to be released from traditional moral that require women to be family based. Discussion of the role of women in industrialization is available in Butschek (2006)'s work.

*higher educational level than male entrepreneurs. Enterprises that led by women have 95% profit rate, so female managerial ability is well acknowledged.*

(Internet Source 2007)

The favorable environment has brought a few Chinese female entrepreneurs great success. In 2006, female entrepreneur—Cheung Yan<sup>2</sup>, has surged past J.K. Rowling and Oprah Winfrey to become the richest self-made woman in the world, tops China's rich list. (Watts 2006) As said by Rupert Hoogewerf, who has been publishing the Hurun Rich List<sup>3</sup> since 1999, 'China's women are becoming more visible in business. Traditionally women have always been on the inside and men have been on the outside. It was not until the economic reforms that women started to make inroads into the public arena'. (ibid)

Furthermore, China's major supporting force of economic growth is still relying on large scale state-own companies, which usually have hierarchical organizational structures and less empowerment in their management. In the context of a relatively more open political and economic environment, private enterprises are booming nowadays (Asia Development Bank 2002), and their ways of management thereafter confront changes that differentiate from state-own companies. Hereby, we think that discussing the way of delegating power in Chinese private enterprises is meaningful.

All in all, the above mentioned context of Chinese female entrepreneurs is to provide readers a general social background that should keep in mind, but this context will not be a main concern of the whole discussion. Our purpose in the paper is to understand the connection between female entrepreneurs' leadership and empowerment in the context China, based on theories of leadership and entrepreneurship.

## ***1.2 Research Question***

1. What is the link between female entrepreneur's leadership and empowering way of management?
2. Do Chinese female entrepreneurs tend to apply empowerment to their management?

---

<sup>2</sup> Cheung Yan is a Chinese female entrepreneur who started her own business in 1985 with only 30,000 Yuan. She specializes in business of paper industry particularly recycling paper. Her company Nine Dragon Paper Ltd. had helped her accumulate 27 billion Yuan (approximately equals to same amount of SEK) till 2006.

<sup>3</sup> Hurun Rich List has served for the journal Forbes as presenting Chinese rich list since 1999. Organized by English businessman Rupert Hoogewerf, this list is influential in China.

### ***1.3 Target group***

Three groups of readers may find this investigation useful. Firstly, students and scholars who study in business field and have interests in female entrepreneurs and their managerial ability. Secondly, other readers who find Chinese gender role in management particularly interesting. Thirdly, enterprises that would like to know more about Chinese female leadership.

## 2. Methodology

### 2.1 Research Design

There are three major types of research designs, which according to Ghauri & Gronhaug (2002) are exploratory research, descriptive research and causal research. This paper conforms to exploratory research, which is usually used when the research problem is not well understood or the problem is rarely touched upon in previous research. (ibid) That is to say, in order to find answers to research questions, this investigation needs to explore connection between theories and to collect data that support to discover result and to set up relation between theory and empirical data.

Since we attempt to understand female entrepreneur's leadership, feminism approach is the main instructive philosophy of the paper. Feminism, which in nature belongs to critical theory<sup>4</sup>, focuses on applying gender perspective to a variety of social phenomenon. These social phenomena are often critically explored for the sake of promoting the interests of women (Alvesson & Sköldbberg 2000). There are three central elements of mainstream feminism: firstly, 'gender represents an essential theme in attempt to understand all social relations, institutions and processes'; secondly, 'gender relations are seen as problematic since they are associated with conditions of dominance, inequality, stress and conflict'; thirdly, 'gender relations are result of socio-cultural and historical conditions and can be altered by human action'. (ibid: 210). These three themes instruct many academic research of this field and are also background of the whole discussion in this paper.

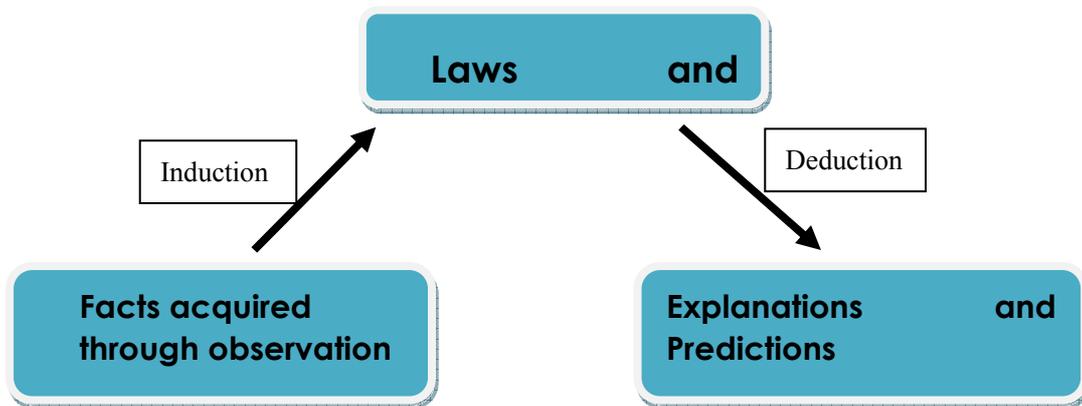
### 2.2 Research Approach

Two main logic processes—deduction and induction go through the paper and should be introduced here. According to Fisher (2004), deduction is a process that conclusion is drawn from logical reasons from stated premises, so it is independent on experience or observation but follows logic order. Induction, on the contrary, implies a process that conclusion is drawn from experience or experimentation, and the conclusion is based on the assumption that things have always been this way and will continue to be this way in the future. (ibid) Figure 1 shows how induction and deduction function. In the figure, facts acquired from observation become laws and theories through inductive process, while deductive process is potential to transfer these laws and theories to explanations and predictions. In fact, induction and deduction can co-exist

---

<sup>4</sup> Critical theory is a methodological approach that is characterized by an interpretive approach combined with a pronounced interest in critically disputing actual social realities. (Alvesson & Sköldbberg 2000: 210)

in one research, as most scholars use both in their research. (Ghauri & Gronhaug 2002) This paper attempts to draw conclusion from reviewing existing theories and empirical data, so both inductive and deductive approaches apply to it as well.



*Figure 1: Induction and Deduction (Ghauri & Gronhaug 2002)*

### ***2.3 Research Strategy***

There are several ways of approaching empirical data, including case study, experiment and analysis of archival information etc. This paper actually prefers to use case study, which is decided by the above mentioned research questions. Case study is used as a research strategy ‘when the researcher is trying to answer questions such as why and how, s/he has only small control over the events in their research and finally the investigators is focusing on a current problem’. (Yin 2003: 1) The paper aims at understanding the link between female entrepreneurs and empowerment, so it is better to investigate a few Chinese female entrepreneurs as the cases. It would help us to deeply understand this particular group with our own particular purpose.

### ***2.4 Research Method***

Primary data of this paper mainly comes from our case study on 6 Chinese female entrepreneurs and their firms. Their answers to our interviews are the source of primary data. In order to analyze the primary data, we choose to use qualitative rather than quantitative research, which is also decided by the research question. Qualitative

research aims to gather an in-depth understanding of certain behavior and the reasons behind the behavior. (Ghuri & Gronhaug 2002) Considering the research question, in-depth interview, which has its advantage of measuring a small group people's attitude, is used in the paper.

Secondary data are used in the sector of literature review. Plentiful previous academic publications about empowerment, female entrepreneurship and leadership will be reviewed in the paper, so certain books and articles are the major source of secondary data. Meanwhile, in order to know China's situation of female entrepreneurs that appears in the chapter of introduction, some official documents and news will be used as well.

## ***2.5 Limitation***

The topic of this paper seems general, and it is hardly to cover all the aspects within certain field. Thus 3 points of limitation should be mentioned beforehand. Firstly, China is a big country with diverse situation, where the urban and rural areas share apparent difference. Our interviewees all come from big Chinese cities, so Chinese female entrepreneurs in the paper particularly fit into the context of metropolitan of China.

Secondly, every person has very different personality, so we just try to generalize some common points for the investigation. And the leadership of female entrepreneurs is also up to their industry, business culture and personal experience. We can not put equal effort in every detail aspect, and a few factors that some readers find interesting may be missing here. For instance, leadership has relationship with certain cultural background, but the paper does not pay much attention in the factor of culture.

Thirdly, the paper attempts to know if Chinese women entrepreneurs prefer to delegate power to their employees, so the case study is merely based on interviews to the 6 bosses, regardless of opinions from employees. In practice, these women entrepreneurs' intention of empowerment may not be well understood or carried out in the management. However, we need to claim that this investigation is solely from the perspective of women entrepreneurs, and we expect to understand what they want rather than what the result is. Thus ideas from other perspectives are ignored.

## **3. Literature review**

### ***3.1 Empowerment***

Empowerment is the core concept of the paper, which largely determines how the literature review proceeds, so we need to introduce it in the beginning.

Management is never old to be discussed. It is the game played by senior managers or top management team or entrepreneurs; it is a skill behaved by them; it is also an experience accumulated through their long time working life. Empowerment is actually a concept deriving from the theory of management. After placing empowerment in the context of management, let's see its detail concept.

#### **3.1.1 Empowerment and Power**

The word empowerment derives from Latin words as “freedom” and “power” (Eklund 1999). The concept of power is the core notion to explain empowerment. In order to understand empowerment, we should mention the meaning of power. Power is an influence or control as a commodity/structure divorced from human action (Lips 1991). Power is the ability to predict, control, and participate in one's environment (Pinderhughes 1983). Power is an asset of human who has the capacity to implement and who are powerful and experienced. (Kreisberg 1992:57) By viewing this, we consider empowerment as an investment that leader invests in subordinates/followers. For instance, leaders grant bonus to subordinates when they make progress or contribution in the organizations.

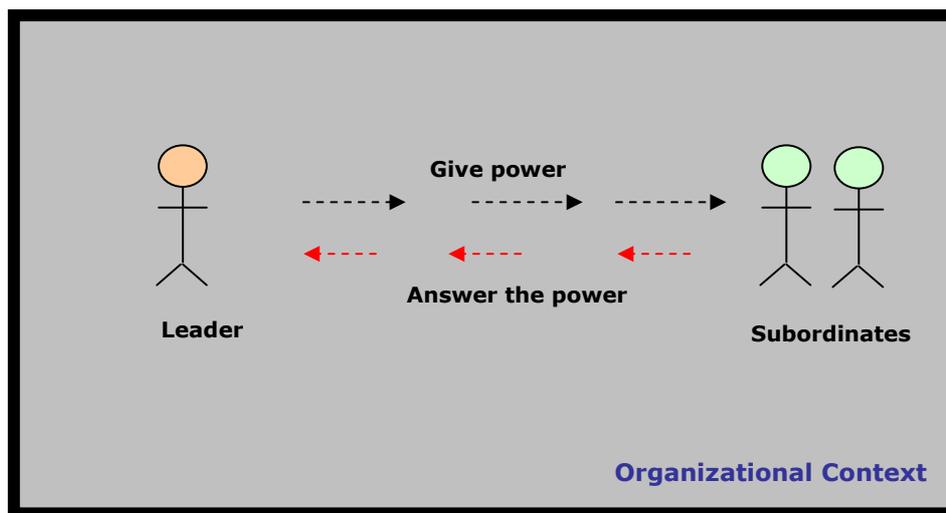
Moreover, power relates to the ability of making others do what we desire, regardless of their own interests and wishes (Weber 1946). In the sense, power is a kind of relationship. Power-relationship involves two parties in this game, one part is to give power and the other is to be powered –the subordinates/followers. When participants have stronger relationship, they tend to have more influence on each other.

Empowerment can range from ‘give power to’ to ‘give capacity to’ (Karlekar 2004). For a successful leader, how to arrange power is a skill that should be learned and explored, and it is also a strategy in business running. The more power a leader has, the more lightly he/she should use carefully. The power could be an advantage or disadvantage in the process of management. Giving followers free space or delegating real power to operate and trusting them to make decisions may challenge many traditional views within an organization.

By understanding the power, we introduce some understandings of empowerment:

1. Empowerment is a process which depends upon power can expand;
2. Empowerment is ability which everybody all has but needs to be released (Rappaport 1985);
3. Empowerment is the process by which individuals and communities are enabled to take such power and act effectively in changing their lives and their environment (Minkler 1992);
4. Empowerment is the consequence of process design. It is the behavior and “new ways of working” of employer and employee in the work environment (McKenna 1995);
5. Empowerment is a sense of control over one’s life in personality, cognition and motivation (Rappaport 1985).

Then we make a figure to give brief idea of empowerment.



*Figure 2 Function of Empowerment*

This figure is in an organizational context. The black dashed arrow shows that the part of leader gives power to the subordinate, namely delegation. The red dashed arrow means the part of subordinates that receives the power and answers it, namely reaction or result of delegation. The direction of black arrows points to where power work towards and the empowering process. If it is as desired outcome, the feedback and reaction of subordinate could improve the efficiency and effectiveness of the organizational context. In some cases, the power won’t be delegated fully or mostly even by skilful and experienced leaders. Meanwhile subordinates sometimes can’t

respond to the power well, so it means that subordinates could make mistake or misuse the power. So the reaction of leader to confront this problem would be a challenge. The reasons could be derived from the personality of leader, the method of delegation and leader's trust on employees.

The concept of empowerment can be traced back to feminist and civil rights movements (Solomon 1976; Riger 1984; Swift & Levin 1987). It was first introduced by Rappaport at the beginning of 1980s in the field of social psychology (Eklund 1999). It means to enhance the possibilities for people to control their life (Rappaport 1981). The empowerment has become a popular buzzword over the last decade and a half (Beteille 1999). It is a quite new term across scholars, practical disciplines and enterprise operations. In David Collins (1995)'s work, empowerment stands at the front of a long line of managerial initiatives that serves both contemporary and perennial organizational problems. In general, empowerment is the new age of mindset, decision making, problem solving and crisis management. It implies a heterarchical organization structure, which matches the current era's trend, so empowerment to some extent is the "brainstorm" of organizational management.

### 3.1.2 Empowerment and Leadership

There are many ways of interpreting empowerment, and as many scholars agree, empowerment is also one of advanced leadership skills (Hughes & Ginnett & Curphy 2002). As Rappaport (1985) notes, empowerment expresses the feeling and idea about self-worth, so it is more akin to the spiritual. And the role of leaders in the process of empowerment is important, because leaders largely determine the structure and culture of organizations. Therefore empowerment has close relationship with leadership (Concepts of leadership presents in sector 3.3.1). It implies that leaders endowing followers trust and encourage them to work by themselves. In practice, followers stay in the battlefield of tasks and problems, so followers could actually be more professional than leaders in certain fields. Allowing followers to make decision, to larger extent, is a better way to solve problems. That is why more and more companies consider power-building as a strategy to manage their companies well. On the other hand, empowerment also means both enlargement and enrichment of the jobs of employees. (Born & Molleman 1996)

Furthermore, from the perspective of leadership skills, Hughes & Ginnett & Curphy (2002: 536) point out two key components of empowerment: delegation component which means to delegate leadership and decision making down to the lowest level possible and developmental component which implies equipping followers with the resources, knowledge and skills necessary to make good decision. According to this, six best practices of empowerment that they summarize are:

1. Do you really want or need empowerment
2. Creating a clear vision, goals and accountabilities
3. Developing others
4. Delegating decision making to followers
5. Leading by example
6. Empowerment must be systemic to be successful

(ibid: 538)

These six best practices are instructive of how leaders should apply empowerment to management.

What kind of leaders tend to apply empowerment to their organizations? What is the connection between female entrepreneurs and empowering way of management? Next we are going review theories of entrepreneur and female entrepreneur.

## ***3.2 Female Entrepreneur***

### **3.2.1 Entrepreneur**

Before discussing female entrepreneur, we first of all need to introduce theories of entrepreneurship and entrepreneur that theory of female entrepreneur embeds in. The theory of entrepreneurship has been developed for three centuries. And people's interest in entrepreneurship is apparently increasing. The word *Entrepreneur* originally comes from French and it means a person that is active and gets things done. (Hoselitz 1951) Schumpeter, the Austrian economist, has established the milestone of entrepreneurship theory in terms of giving it the modern concept. Schumpeter (1934) considers entrepreneurship as a process 'new combination', which is called innovation. The innovation and economic development can be achieved in five different ways:

1. The introduction of new goods
2. The introduction of new methods of production
3. The opening up of a new market
4. The conquest of a new source of supply of raw materials or half-manufactured goods
5. The carrying out of a new organization of any industry

(Schumpeter 1934 in Swedberg 2000:51)

Based on this well known explanation of entrepreneurship, Schumpeter (ibid) also touches upon concept of entrepreneur. Schumpeter's entrepreneurs are people who carry out 'new combinations' and they lose the identification once they settle down to doing business as other people do. Everyone fulfilling this condition is entrepreneur. They actually could be independent businessmen in an exchange economy and could be dependent members of a firm. Schumpeter pays particular attention in entrepreneurial function than person, so entrepreneur is not a profession and cannot form a social class. (ibid)

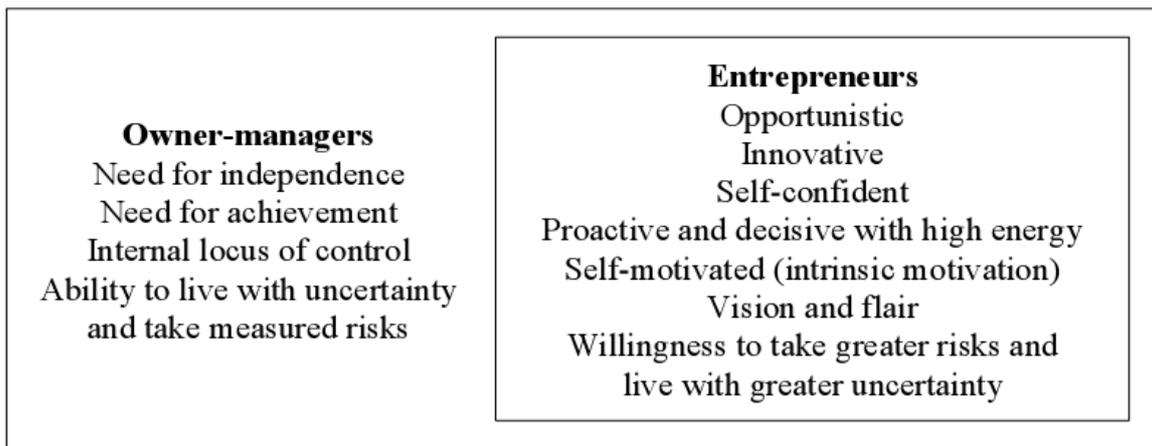
Besides Schumpeter, other literatures also present diverse definitions of entrepreneur:

*"One who takes an active role in the decision making and risk taking of a business in which s/he has majority ownership". (U.S. Department of Commerce 1990)*

*"One who starts and is successful in a venture and/or project that leads to profit (monetary or personal) benefits society". (Solomon & Winslow 1988)*

Although different definitions have diverse focus, qualities for entrepreneurial success can be identified as innovative, risk taking and proactive personalities. And these personal traits is both born with and shaped by experience, background and social culture. (Burns 2005)

The definition of entrepreneur is big and many kinds of people can be classified into entrepreneurs. Whereas this paper pays attention to those entrepreneurs who start and run their own business and the difference between entrepreneur and manager-owner should be mentioned in the discussion. Schumpeter (1934 in Swedberg 2000) distinguishes between entrepreneurs and managers/business owner, because the latter one may only operate an existing business without launching any 'new combination'. Therefore, entrepreneurial function is essentially different from management, even if entrepreneur's essential function may mix up many activities and overlap with management in some sense. On the other hand, Burns (2005) also summarizes character traits of owner-managers and entrepreneurs as the following figure:



*Figure 2 Character traits of owner-managers and entrepreneurs (Burns 2005: 20)*

The first part of the figure relates to survival and its traits are found in the owner-manager. The second part relates to growth and its traits are found in the entrepreneurs. We can see that the difference between owner-managers and entrepreneurs are obvious, and entrepreneurs are more opportunistic innovative, proactive and risk taking than owner-managers. But Entrepreneurs' traits and owner-managers' traits may co-exist.

These traits, particularly from the latter one, have an impact on entrepreneur's managerial feature and thus the entrepreneurial organization's structure and its organizational culture. As Burns summarizes, the entrepreneurial culture must:

- Spot opportunities
- Value creativity and innovations
- Recognize the importance of balanced risk taking and not unnecessarily penalize failure
- Recognize change as endemic, the norm, not something to be avoided
- Motivate people to achieve-goals set, achievement encouraged, publicly acknowledged and rewarded
- Be a 'can-do' and 'work-is-fun' culture
- Encourage organizational self-confidence and self-efficacy by celebrating achievement and success, but not at the expense of recognizing reality
- Share information, knowledge and learning
- Encourage people to belong to and 'own' the organization

(Burns 2005: 34)

And then the entrepreneurial organization's structure must facilitate by:

- Encouraging opportunity spotting, creativity and innovation
- Sharing information, knowledge and learning, so as to react quickly to environmental changes and capitalize on opportunities
- Encouraging a sense of belonging and 'ownership', ensuring remuneration is adequate and other psychological needs met, so that staff is motivated not to leave the organization
- Delegating and decentralizing

(ibid)

Therefore, we can see the link between entrepreneurship research and management research, which actually started in 1970s and is rapidly growing. (Ahl 2004) The linkage is unavoidably bridged by entrepreneur and its character traits. Based on Burns' analysis on entrepreneurs' organizational structure and culture, it is obvious that entrepreneurs tend to resort to empowering way of management. Next we move on to the female entrepreneurship.

### 3.2.2 Female Entrepreneur

In the discourse on entrepreneurship, the concept of entrepreneurship seems to be discriminatory in its gender-bias, ethnocentric determinism and ideological imposition. (Bruni & Gherardi & Poggio 2004) Schumpeter's discussion about entrepreneur does not clearly exclude female, since he insists that everyone is entrepreneur as long as the person brings new combination. Yet Schumpeter always writes 'he' for entrepreneur. Maybe Schumpeter has never really take women into consideration, regarding to the era he lives. Similarly, Burns' entrepreneurs are men as well. In other words, entrepreneur to some extent has been stereotyped as 'West', 'White' and 'Man'. The reasons for the exclusion of women in the early research are two-fold: one is the numbers of female entrepreneurs were initially small; one is male bias towards women in entrepreneurial research. (Wells 1998) Nowadays female entrepreneur has already entered the discourse of theory, due to the fact that women have access more to more and higher managerial positions, which is as a consequence of improvement of social atmosphere and their own education.

As discussed before, entrepreneurs usually need to possess a combination of proactive, risk taking and innovative personalities, so female entrepreneur at least owns same level of personalities as well. These features will also be brought into their management of enterprises, which is different from male entrepreneurs. Meanwhile, plentiful literature shows that firms set up and run by women tend to display a set of

distinctive features. (Brush 1992; Chaganti 1986) In the 1970s and 1980s, some scholars think that women entrepreneurs as organizational leader tend to micro-managing their employees and are reluctant to delegate power down to employees. (Neider 1987; Cuba & DeCenzo & Anish 1983; Schwartz 1976)

As time goes by and business climate is rapidly changing, these researchers' idea to large extent can not fit into today's situation, so new researches have different opinions now. For instance, Bird and Brush (2002) summarize the gender impacts on new venture organizations (see Figure 3). From this figure, we can see that if a new venture organization is started and led by woman, the organization tends to be heterarchical and decentralized, which also conforms to feature of empowerment.

### Gender Impacts on New Venture Organizations

Organizational Dimensions	Traditional (Masculine)	Personal (Feminine)
Use of Resources	"Lease" people Low commitment Promoter	Commit to people High commitment Trustee
Structure	Formal Decisions centralized in entrepreneur Boundaries between people, jobs clear Growth leads to hierarchy	Informal Participative decisions Boundaries between people, job fuzzy Resists growth; growth leads to struggles to stay flat
Controlling	Personal control Financial control Dominant coalition of similar	Sharing control Cultural control No dominant coalition or coalition of diverse others
Integration Through Systems, Culture and Policies	Value is success for self & firm Policies instrumental toward goal Transactional	Value is well being for self & others Policies relational Accommodating

Figure 3 Gender Impacts on New Venture Organizations (Bird & Brush 2002: 50)

Bruni, Gherardi and Poggio (2004) have similar idea, and they suggest that during the start-up and developments phases of their businesses, it seems that women tend not to use a deliberate approach. Firms set up and run by women tend:

- a) *To have informal structures of work organization and coordination styles based largely on affective involvement of employees*
- b) *To assess their performance in terms of intrinsic criteria, rather than extrinsic ones of an economic nature*
- c) *To adopt an evolutionary approach to business development and to follow a “transformational” leadership*

(Bruni & Gherardi & Poggio 2004: 265)

Based on above discussion, we can also find an inevitable link between female entrepreneur and empowering way of management, which is engendered by the nature of entrepreneur.

### ***3.3 Female Leadership***

#### **3.3.1 Leadership**

Entrepreneurs or managers could be a good leader without taking any courses about leadership, but a professor studying in leadership may be not a good leader one hundred percents in business management (Hughes & Ginnett & Curphy 2002). Actually, leadership is a complicated concept, and it has different approaches to research on. Based on Bass (1990)’s work, Northouse (2001:2) highly summarizes five aspects of defining leadership from previous academic research as:

*focus of group process*, ‘which puts the leader in the center of group change and activity and embodies the will of the group’; *a personality perspective*, ‘which considers leadership as a combination of special traits that individual owns and enable them to induce others to accomplish tasks’; *an act or behavior*, ‘which focuses on the things leaders do to bring about change in a group’; *focus of power relationship*, which suggests that ‘leaders have power and wield it to effect change in others’; *an instrument of goal achievement*, which ‘emphasizes leadership transforms followers through vision setting, role modeling and individualized attentions’.

If concluding all these factors in one sentence, leadership is a process whereby ‘an

individual influences a group of individuals to achieve a common goal'. (ibid: 3)

In theory of leadership, leader is always the main concern, and it accordingly has many aspects to understand, as mentions in the concept of leadership. Considering the topic of the paper, we hereby pay attention to the relationship between leader and power that embeds in leadership. It is actually a common way of thinking leader as holder of power, and power is a tool that leader uses to achieve their goals. A few scholars, however, disagree with it. Burns (1978) suggests understanding power from the standpoint of relationship, which implies that power, occurs in relationship and should be used by both leader and subordinates to achieve their collective goals. Similarly, Hughes & Ginnett & Curphy (2002) also consider leadership as a function of leaders, followers and the situation. Although leaders are able to influence their followers' ideas and behaviors, followers may influence leaders as well. Meanwhile, situation can also affect leaders and followers' attitude and act. In a word, power is not simply one way trip from leaders to followers.

### 3.3.2 Transformational Leadership

Burns (1978) distinguishes two types of leadership -- transactional and transformational. Transactional leadership occurs "when one person takes the initiative in making contact with others for the purpose of an exchange of valued things" (Burns 1978: 19). While transformational leadership occurs "when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality" (ibid: 20). Based on Burns' research, Bass & Waldman & Avolio & Bebb (1987:73-87 quoted in D'Alessio 2006:3) identify four dimensions of transformational leadership behaviors:

the first transformational leadership behavior--*idealized influence* (attributed and behavior), refers to leaders 'who have high standards of moral and ethical conduct, who are held in high personal regard, and who engender loyalty from the follower'. The second one--*inspirational motivation*, refers to 'leaders with a strong vision for the future - based on values and ideals'<sup>5</sup>; the third transformational leadership behavior is *intellectual stimulation*, which relates to 'leaders who challenge organizational norms, encourage divergent thinking, and push followers to develop innovative strategies'. *Individual consideration*, the fourth transformational leadership dimension, refers to 'leader behaviors aimed at recognizing the unique growth and developmental needs of followers as well as coaching followers and consulting with them'.

These four behaviors are fundamental to understand transformational leadership.

---

<sup>5</sup> Leader behaviors belong to this dimension including 'stimulating enthusiasm, building confidence, and inspiring followers using symbolic actions and persuasive language'. (D'Alessio 2006:3)

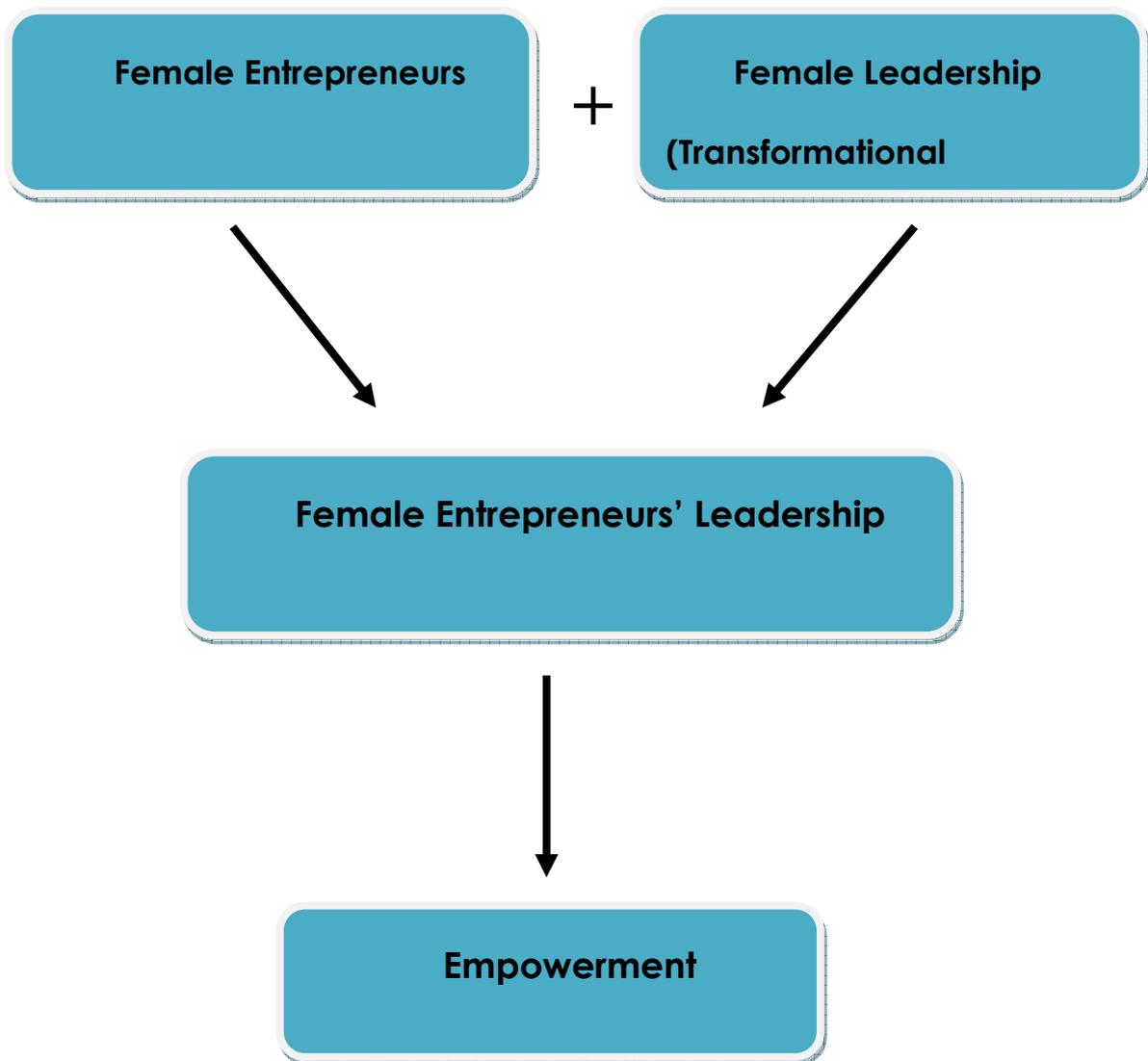
As noticed by scholar, the transformational leadership holds great promise for advancing associations, business and society. (Banerji & Krishnan 2000: 405) With emphasis on follower empowerment, transformational leadership is in line with contemporary organizational changes and management theorizing stressing the need of organizations to become less hierarchical, more flexible, team oriented and participative. (Fondas 1997; Rosener 1995) As comparison to transformational leadership, charismatic leadership actually views leaders as extraordinary and the followers as dependent on the leaders. (Yukl 1998) On the contrary, transformational leadership theory concerns with ‘the development and empowerment of followers to function independently’. (Kark 2004:161) In this sense, transformational leader empowers followers and motivates them to perform beyond their expectations and work on transcendental planes and collective goals instead of focusing only on immediate personal interests. (Bass 1985) Then transformational leadership theory has gained popularity, and gives rise to studies linking the concept of transformational leadership with gender. (Kark 2004; Eagly & Johannesen-Schmidt & van-Engen 2003) Through a meta-analysis of 45 studies of transformational, transactional, and laissez-faire leadership styles, Eagly & Johannesen-Schmidt & van-Engen (2003) find that female leaders are more transformational than male leaders. Female leaders, compared with male leaders, are ‘less hierarchical, more cooperative and collaborative, and more oriented to enhancing others’ self-worth. (ibid: 2) Moreover, these patterns of behavior make women superior leaders for contemporary organizations. (Eagly & Johannesen-Schmidt & van-Engen 2003) In other words, transformational leadership is associated with stereotypes of women and how they are expected to perform as leader, while charismatic leadership tends to associate with men.

Therefore, feminist perspective has been brought into discussion of transformational leadership. Kark (2004) summarizes three theoretical perspectives that link feminism with transformational leadership--gender reform feminism, gender resistance feminism and gender rebellion approach. In spite of existing different approaches, feminist perspective in general shares some basic assumptions that recognize ‘male dominance in social arrangements and a desire for change’. (ibid: 161)

Based on these theoretical researches, this paper uses transformational leadership as the feature of female leadership, which tends to empower followers in the management.

## 4. Conceptual Framework

### 4.1 Conceptual Framework Figure



*Figure 4. The Linkage between Female Entrepreneur's Empowerment*

## ***4.2 Interpretation of Framework***

On the basis of literature reviews, we hereby develop a conceptual framework (Figure 4) that describes the necessary link between female entrepreneurs' leadership and empowerment. In order to understand female entrepreneurs' leadership, we generally divide the concept into two parts—female leadership and female entrepreneurs.

The left box in the top represents female entrepreneurs. As discussed before, entrepreneur in nature is innovative, proactive and risk taking, and these traits can be brought into their management that does not tend to be like traditional leadership type of hierarchical and centralized. Female entrepreneur also possesses this managerial feature, as noticed by a few latter researches. That is to say, female entrepreneurs are willing to apply empowerment to their management, as scholars notice.

The right box is female leadership and specifically transformational leadership. As discussed in the literature review, transformational leadership particularly applies to women leaders. And the theory of transformational leadership in essence suggests empowering way of management that leaders tend to delegate subordinates and carry out decentralized/ heterarchical managerial strategies.

Then if adding left box and right box together, namely female entrepreneurs and transformational leadership, we get the phrase female entrepreneurs' leadership, the box in the center of the figure. Female entrepreneurs' leadership is consisted of two factors, which both have positive effect in empowerment. So when combining the two factors together, the trend of choosing empowerment by female entrepreneurs' leadership becomes consequently strengthened and stronger.

## 5. Case Telling and Analysis

In order to empirically test the conceptual framework, we hereby introduce six case studies on the subjects of female entrepreneur's leadership and empowerment. The six cases consist of six interviews to Chinese female entrepreneurs, who were introduced by our friends in China. These Chinese female entrepreneurs have established and managed their own businesses. We did not deliberately emphasize on any one kind of industry or products when we interviewed the interviewees. The detailed questionnaire is available at Appendix.

We conducted all the interviews in Sweden through phone calls, while interviewees were in China. We interviewed them in Chinese and translate the content into English here. These six respondents have allowed us to publish most of things that they told us, only with exception of those contents relating to their business privacy.

Readers may find that a number of questions do not focus on the topic, that is because we needed to know more background about interviewees and their businesses that potentially inspired us. Some interviewees refused to answer certain questions, so not all the questions are reflected in every case telling. The order of questions is flexible, due to the fact that we changed the order according to interviewees' reactions. Since a few words we discuss do not closely connect to the topic, the whole interview is not reflected here.

### 5.1 Case 1

Name: Ms. Xu

Age: 30

City: Tianjin<sup>6</sup>

Firm: Kiss-Cup Milk-Tea and Soft Drink Shop

Interview Date: May 23, 2008

#### **Background:**

Ms. Xu is working full time as an accountant in a logistic company. She started her

---

<sup>6</sup>Tianjin municipal city lies in the northeast of China and only 137 kilometers southeast of Beijing. It is directly governed by the state's central government. Tianjin has a population of 10.43 million permanent residents. The city is one of rapidly economically developed zone in China, bringing along investment more than US \$55 billion.

own Milk-Tea and Soft Drink Shop - Kiss-Cup in 2007 and owns five chain shops till now. She is in charge of 6 employees. She started working when she was 16 years old. She has entrepreneurial experience of selling popcorns in some temporary exhibitions and running breakfast restaurant before.

Ms. Xu has no formal university education, but she considers herself as a good student in the “*university of society*”, where she learns business and life experiences. She never stops learning, since she has taken courses such as English. She makes a plan every three months and puts it into her wallet which she thinks this will come true.

### **As a female entrepreneur**

She considers herself as fashionable, positive and creative. She enjoys working on something special and new, and prefers not to do any business that others have already done. She does not do business for earning money, but for dream, fun, and self-recognition. She likes challenging life – she believes that ‘no challenge, no life’.

Ms. Xu’s boy friend lately joined in her business as assistant, because she thinks that a man in her business is necessary. She says that woman and man in nature are different, since woman is more sensitive, passionate and emotional, while man is logical, reasonable and dispassionate. For Ms. Xu, the features that man possesses may not be good in starting a business but necessary when business proceeds further and enlarges. In building up network with relevant persons of the business, her boyfriend helps participating in activities such as having business dinner which is typical Chinese business culture. In a word, she thinks that woman can’t run business without male, and woman should get support or advice or guide from man. Moreover, she realizes that woman leader managing man employees and man leader managing female employees are the smoothest and easiest way to keep harmony.

### **Idea on management**

Ms. Xu asks all her employees to call her Sister Xu, because it can reduce psychological distance of between boss and employees and can build mutual trust. She even would like to help them with personal affairs as long as they require it. Ms. Xu also sets up a bonus system that everyone can earn more salary when employees have better sale results.

Every shop of her company has different locations and target customer group, which decide that Ms. Xu can not really have one standard of work, so she encourages employees to find their own comfortable ways of working. She considers that it is good for both business and cultivating employees.

In her own shops, she has strong sense of power. In her words, ‘I feel this sense of power so strong especially when my employees hand in the money that they have earned in a day to me.’ How to use power is a skill in her opinion and it needs to correctly understand power and can’t involve in employees’ privacy. When the degree of decision-making is deeper, the power is higher. Since she is an employee of a logistics company meanwhile a shop-owner, she knows how employees feel. She treats her employees as she would be treated. Ms. Xu actually prefers to delegate her employees. She can only stay in her shops when she is off work from that logistic company, so her employees have to deal with diverse situation by themselves. They must be empowered, in other words. However, she won’t give her employees full right of decision-making. The reason is that her business idea is easily copied by others, so if she does not keep some important information of business partners such as materials providers in secret, her employees may become her competitors soon. So she must keep something private by herself.

Anyway, she is willing to train and tell her employees about necessary skills and information, for instance, making the different taste drinks and other social skills of treating customers. Only in this way, they would work more effectively. If they make mistake by using her power, she won’t punish them. Instead she would give them another chance. She suggests that a leader should understand the meaning of mistake - “doing something definitely may arouse certain mistake, but doing nothing won’t make any mistake.”

## **5.2 Case 2**

Name: Ms. Zhang

Age: 34

City: Shanghai

Firm: Logistic Department of a German Automotive Company in China

Interview Date: May 25, 2008

### **Background:**

With 10 followers, Ms. Zhang serves as a project manager and logistic department manager of a German automotive company in China. Even if she is not the founder of the automotive company, she runs and charges logistic department and projects independently. Her relationship with headquarter is more like contractor, so there’s no influence in management from headquarter. Thus we consider her as entrepreneur business owner in her own department. With bachelor’s degree, she works as a secretary in the very beginning of her career life. Ms. Zhang is fluent in English and German. She is good at dealing with tough issues using her wisdom and courage. As a white-collar office lady with high salary, she has higher requirement of life quality.

### **As a female entrepreneur**

She has passion and is willing to help others. Ms. Zhang cares about her looking, because she suggests that woman should pay more attention to her appearance especially when negotiating business. Consciously or subconsciously, appearance of a woman can promote her image when she stays with management team and customers. That is why she likes to buy formal dresses from George Armani.

Ms. Zhang thinks that the modern society endows more opportunities to women, and she feels no discrimination between man and woman in her working environment. She treats male and female subordinates differently, according to the gender difference. For men, she uses 'outward strategy'; for women, she uses 'mild strategy'. All in all, different persons should be treated by different methods.

Ms. Zhang considers herself as a positive and risk-taking person; otherwise she would not give up the former job and become a contractor with the German company. She needs these entrepreneurial traits to go through all her career life, if she wants to enlarge her business

### **Idea on management**

Ms. Zhang's company has no hierarchic structure, and every staff works like friends. She dislikes the Chinese traditional way of managing a group, where employees always follow leaders' orders without any way of resistance. She likes to be challenged by employees. In the workplace, she has the sense of power. She has won trust from her followers, and it is better than simply giving them orders and controlling them. She distributes power to employees to the extent that it is the field of sales and export, because these fields require high flexibility. If the subordinates make mistake through using delegation, she won't punish them. She will know the specific reasons first and then encourage followers. There is certain institution in the company that supervises employees, so it is not really easy to make mistakes by the any single employee. She also uses bonus to tightly connect employees and the company, and she considers it as one of the most useful way to encourage their work.

Ms. Zhang would like to train and teach her followers without hesitance, because she feels successful if she contributes to cultivate a successful person. Moreover, the person may become her network and help her in the future. Still, the information of company is not all open to staff, because something is required to be secret from the headquarter.

### **5.3 Case 3**

Name: Ms. Ma

Age: 45

City: Beijing

Firm: An International Communication Company

Interview Date: June 2, 2008

#### **Background**

Ms. Ma joined military school as a dancer when she was teenager. After serving in military, she took bachelor degree and served in the government. She planned to study in USA but failed getting visa for twice. Then she resigned to run her own business. The company now covers many fields of business, including import-export, property management, oil products and supermarket etc. It also has business with the army. Ms Ma has totally 300 employees in her company, with which organizational structure top from board chairman, general manager, vice general manager, project manager, vice project manager and bottom level employee.

#### **As a female entrepreneur**

She thinks her personality is positive and innovative and risk-taking. Serving in government actually had good pay and stable life, but she preferred to begin a new life. She thinks that without these traits, she would not become a businesswoman.

#### **Idea on management**

Ms. Ma considers that manager and employees are the relationship of leaders and subordinates in workplace, but they are friends after work. She shares some business information with her employees, but keeps high secret for business that relate to special trade partners. Since she worked for the government where more hierarchical structure than private enterprises has, she realizes that it is not good for encouraging employees' positivity. So she tries her best to activate her employees and expects them to inspire her in business. The rewarding and bonus system has become an important tool to activate them.

In the company, vital decision making must be done by the board. A few decisions could be done by lower level staffs, but it depends on employees' ability and experience. Only some employees are able to use the power properly, so she has to carefully choose who can be empowered. If employees do something wrong, they will be punished according to the company's relevant regulations. Yet since work is clearly distributed step by step, it is not likely to make big mistake by any single person. She thinks that employees who produce should share in the profits, so the company

actually has advanced rewarding system, which employees feel attractive and satisfied. She prefers to manage the company by certain regulation rather than leader's power. Ms. Ma admits that her experience in military service, where is strict with orders and regulations, has impact on her business management.

## **5.4 Case 4**

Name: Ms. Yao

Age: 27

City: Tianjin

Firm: An international logistics company

Interview Date: June 3, 2008

### **Background**

Ms. Yao was a manager in a logistic company. Right after working in the field for two years, she started to run a small size company with only 3 employees.

### **As a female entrepreneur**

She thinks that she is a typical entrepreneur, although her business is not big now. Ms. Yao prefers to do whatever she wants, so she would never regret missing the opportunities. High risk is tolerable for her, as long as she likes it. She has to work harder now than she was employed before, but the better income makes her feel satisfied and successful.

### **Idea on management**

Ms. Yao manages her company as a team and she is the friend of her employees. She rewards employees who make great profit, which is a driving force for hard working employees. She encourages empowerment and gives them certain right to make decision, because she realizes that power increases as you give it away. However, Ms. Yao thinks that actually her employees do not like to do vital decision making, which means heavy responsibility and duty. So her followers are not willing to make vital decision and kick the ball to her instead. If the employees make mistakes by using such power, she would find why this happens and then deal with it in a friendly way. She is satisfied with her employees. When a leader treats subordinates by heart, in return they will sincerely treat the leader by heart. She has the sense of power, as she says, 'a leader is leader, and it must be different from subordinate'. A good leader's power comes from the trust of subordinates. Ms. Yao's company is small, so she also rewards employees when they make progress in sales to maintain the trust.

## 5.5 Case 5

Name: Ms. Hu

Age: 40

City: Beijing

Firm: An International Transportation Agent

Interview Date: Juni 5, 2008

### **Background**

Ms. Hu is the vice manager of this 40-staff-company, which was found by her and another partner 10 years ago. The structure of the company is from top manager, vice manager, department manger to bottom staff. She mainly deals with administrative issues now.

### **As a female entrepreneur**

Ms. Hu thinks that she is born as an entrepreneur, because she has been proactive and innovative all her life. She is also good at social communication, which is so important for establishing business relationship. She thinks she was quite crazy when she was young and liked to try everything new. But as growing up to mid-age, she feels the energy is less than before and becomes more conservative than before. She is afraid of big challenge at the age of 40. She considers that young generations who have more education and ambition have given her more pressure than male colleagues.

### **Idea on management**

As a female entrepreneur and leader, Ms. Hu uses the combination of institution and emotion in her management, which is called both cold and warm ways of management by her. She establishes friendship with employees and they even like to tell family affairs with her. This is so called warm way of management. Ms. Hu likes power, because after many years' working experiences, the position and wealth she has made are proof of her success. This higher position gives her more happiness.

For most of big deal business, she decides things by herself and her partner. She would like to share information and delegate power only to those followers that are talent in her mind. She recognizes that some persons have no excellent ability in working do not need to know so much. If her subordinates make some mistakes through the delegation, she will be very understanding. Mistake happens in any situation by any person, so leaving them space to realize and correcting it is better than strictly punishing. She would like to help her followers whenever they need, so she could win hearts from them. Ms. Hu also sets up a clear rewarding system for

encouraging positivity of employees.

## **5.6 Case 6**

Name: Wei Zhang

Age: 40

City: Tianjin

Firm: A company that running business for furniture in office

Interview Date: Juni 7, 2008

### **Background**

Ms. zhang, who is the general manager and owner of a furniture company with 12 employees. She was a doctor before and then work in the human resource office of the same hospital. She eventually quitted the job because she thinks the environment of hospital lags behind the era, where should enable her to make greater achievement in business.

The top part of the company's organizational structure is general manager, and then it is three departments--sales department, operational department and construction department. The persons who charge each department are called team leader and supervisor.

### **As a female entrepreneur**

Ms. Zhang loves challenge, and this is the biggest reason why she becomes a business woman from a doctor. She enjoys working now, because she can find her real value in business world. The work realizes her dream.

Traditional Chinese thinking only allows women to do family work and men to earn money, but now it is different. Ms. Zhang realizes that women easily open the market, especially in sales sector, while men have advantages in technological types of work. Female entrepreneurs are more easy-going, outward, sensitive and careful than males, as she thinks. But if certain problems happen, it is not easily handled without help from men. So she suggests that female entrepreneurs should get some support or help from their husbands or male friends.

### **Idea on management**

Ms. Zhang encourages different ideas in the company, because she thinks that argument of different opinions can improve the company's performance. Ms. Zhang thinks employees are not only employees, they are also business partners. She would

like to delegate power to employees based on certain rules. That is to say, different powers should be delegated to leaders of different departments, and this could reduce misuse of power. Meanwhile there is a supervisor to evaluate if the power works efficiently. If she empowers someone, the person must be fully trusted by her. Furthermore, Ms. Zhang is not afraid of opening information to her followers, and it is determined by her business and company's function. The customers can't be taken away by any quitted employee.

She establishes rewarding and punishing system in the company. If followers make mistake, firstly she will communicate with customer to reduce the lost, and then discuss it with employees. In her point of view, the employees should be treated differently by genders.

## ***5.7 Analysis***

Six case studies of in-depth interviews can not back up a quantitative research, so we can only make qualitative analysis from attitudes and opinions of interviewees.

It is obvious that all the respondents have typical personality of entrepreneurs, which are characterized as innovative, proactive, willing to challenge and risk-bearing. These personal traits is both born with and shaped by experience. All of them have had other employment experience before, but they give up old fashion life and start a new career. And they more or less have brought these traits into their management. In general, they dislike old style of treating employees, which features as leaders are charismatic and omnipotent.

Moreover, all the respondents' leadership apparently belongs to transformational style. At least three of four dimensions of transformational leadership behaviors-- idealized influence, inspirational motivation, intellectual stimulation and individual consideration (Bass & Waldman & Avolio & Bebb 1987) can be found in the every case. For instance, in Case 1, Ms. Xu performs as both sister and leader in her company, belonging to the first dimension of transformational leadership behavior; she likes to teach employees how to deal with different people in different situation, belonging to the third one; she likes to manage employees according to their own features. In Case 2, Ms. Zhang cares her appearance and dress which help her to establish an image of white collar leader and to maintain her influence and reputation, belonging to the first one; she likes to be challenged by employees, which conforms to the third and fourth one.

Regarding to empowerment, we can see that in general interviewees tend to apply empowerment to their management, but under certain conditions. Firstly, they enjoy

owning power, even if they have different considerations. For example, Case 1 connects power to earning money; Case 5 considers power as proof of her success and as competitive advantage when confronting challenge from young people.

Secondly, as discussed before, there are two key components of empowerment: *delegation component* which means to delegate leadership and decision making down to the lowest level possible; *developmental component* which implies equipping followers with the resources, knowledge and skills necessary to make good decision. (Hughes & Ginnett & Curphy 2002: 536) We can find the two components in every case. In Case 1, Ms. Xu delegates decision making to employees and lets them deal with situation by themselves, especially when she is not present. She also teaches and shows employees skills and information to make different taste of milk tea. But she hides information of business partners, because she prevents her business from any possibility of being stolen. In Case 2 Ms. Zhang would like to empower employees in the field of sale and export, and she can not hide relevant information and materials from employees. Yet she also admits that a few sensitive information must be kept secret, which is required by headquarter. In Case 3, Ms. Ma prefers to delegate power level by level, and it only depends on the employees' personal abilities. And except some special business, she can open information to followers, and it also depends on levels and personal abilities. On the other hand, Ms. Ma's experience in military service also has impact on her managerial ability, which is relatively less flexible and heterarchical. In Case 4, Ms. Yao actually encourages delegating, but her employees would not like to take relevant responsibilities for decision making. Case 5 shares high similarity with Case 3 and empowerment is decided by employees' ability. In Case 6, Ms. Zhang also prefers to empower employees with delegation and uncover materials, because the business is not easy to be stolen.

Thirdly, when the interviewees use empowerment in their management, Case 2, 3, 5 and 6 have relevant regulations and institutions to make sure that the delegation will work effectively. Thus it is not easy to make big mistake, as long as there are systems of supervision. Even though employees make mistakes with the delegation, all of the six interviewees will not simply punish them. They would like to know reasons of failure and give chance to them.

All the interviewees have established rewarding or bonus system in their companies. Rewarding and bonus policies can enable employees to share outcome of companies' operation, and they make the relationship between employees and leader closer. Rewarding and bonus are actually a reflection of empowerment.

All in all, Chinese female entrepreneurs tend to apply empowerment to their management.

## 6. Conclusion

From the whole investigation, we can see that there exists a necessary link between female entrepreneurs' leadership and empowering way of management. The link is actually bridged by the identity of female entrepreneurs and women leadership. Here the identity of female entrepreneurs is decided by the traits of entrepreneur, which suggests delegating power in management. Women leadership, which is characterized as transformational leadership, also tends to apply empowerment to management. Female entrepreneurs' leadership, so to speak, suggests managing organizations with empowerment.

Our case studies strengthen this understanding as well. Generally speaking, they all prefer to use delegating power in their companies, and it is determined by their personal traits and leadership style. If followers make mistakes with the delegation, the interviewees would not use personal power to punish them. Instead, they resort to either institution or personal communication. The bonus/reward systems also support the empowering style of management. However, the interviewees would only like to delegate their power in organizations down to followers under certain conditions. In other words, no one will completely empower subordinates. It is never good if something goes to extreme. It is up to certain organizational structure (Case 2), competitiveness in the industry (Case 1), followers' working ability (Case 3 and Case 5) and even female entrepreneurs' personal traits (Case 3). These factors must be taken into consideration when we try to understand the system of empowerment. On the whole, the answers from interviewees suggest that empowerment has been a useful tool in their leadership.

When we search on academic work in female entrepreneur's leadership, we find that it is rarely touched upon. As the number of female entrepreneur increases in the world, the leadership and ways of delegating power should draw more attention in academy. We need to know more about it if we want to properly apply it in business practice. Therefore we suggest future research will pay more attention in this field. Cultural and political contexts are potential to influence female entrepreneur's leadership, so future research can also be around these two general factors to discuss, although this paper does not take cultural factor into conceptual framework. Micro factors as discussed in last paragraph can be explored by scholars as well.

## 7. Reference List

### Books

Ahl, Helene (2004), *The scientific reproduction of gender inequality—A Discourse Analysis of Research Texts on Women's Entrepreneurship*, CBS Press.

Alvesson, Mats; Skoldberg, Kaj (2000), *Reflexive methodology*, London: Sage.

Bass, B. M. (1985), *Leadership and performance beyond expectation*, New York: Free Press.

Bass, B. M. (1990), *Bass and Stogdill's handbook of leadership: A survey of theory and research*, New York: Free Press.

Burns, J.M. (1978), *Leadership*, New York: Harper & Row.

Burns, P. (2005), *Corporate Entrepreneurship: Building an Entrepreneurial organization*, Basingstoke: Palgrave Macmillan.

Farndon, John (2007), *China Rises -- How China's Astonishing Growth Will Change the World*, UK Virgin Book.

Fisher, C. (2004), *Researching and Writing a Dissertation for Business Students*, Prentice Hall, Financial Times.

Ghauri, P.; Gronhaug, K. (2002), *Research Methods in Business Studies: A Practical Guide*, 2<sup>nd</sup> ed., Harlow: Financial Times Prentice Hall.

Hughes, Richard L; Ginnett, Robert C.; Gordon J. Curphy (2002), *Leadership: Enhancing the Lessons of Experience*, 4<sup>th</sup> ed., McGraw-Hill.

Kreisberg, S. (1992), *Transforming Power: Domination, Empowerment, and Education*, Albany, NY: State University of New York Press.

Lips, H. (1991), *Women, men and power*, Mountain View, CA: Mayfeld.

Northouse, Peter G. (2001), 2<sup>nd</sup> ed., *Leadership: Theory and Practice*, London: Sage.

Rosener, J.B. (1995), *America's Competitive Secret: Women Managers*, Oxford University Press, New York, NY.

Solomon, B. (1976). *Black empowerment: Social work in oppressed communities*.

New York: Columbia University Press.

Schumpeter, J. A. (1934) Entrepreneurship as Innovation, in Swedberg, R. (Ed.) (2000), *Entrepreneurship: the Social Science View*, Oxford University Press.

Weber, M. (1946), *From Max Weber. H.H. Gerth & C.W. Mills (Eds.)*, New York: Oxford University Press.

Wells, Sandra J. (1998), *Women Entrepreneurs: Developing Leadership for Success*, New York: Garland publishing.

Yin, R. (2003), *Case Study Research, Design and Methods (3rd ed.)*, Sage Publications, Newbury Park.

Yukl, G. (1998), *Leadership in Organizations*, Prentice-Hall, Englewood Cliffs, NJ.

### **Articles**

D'Alessio, Fernando A. (2006) 'Some Reflections on Leaders and Leadership', 'Business Leadership Review', January 2006.

Asia Development Bank (2002), 'The Development of Private Enterprise in the People's Republic of China', prepared by *Asia Development Bank's Centennial Group Holdings*, April 2002.

Austin, James E.; Stevenson, Howard; Wei-Skillern, Jane (2006), 'Social and Commercial Entrepreneurship: Same, Different, or Both?' *Entrepreneurship Theory and Practice*, vol.30, No. 1.

Banerji, P. ; Krishnan, V. R. (2000). 'Ethical preferences of transformational leaders: an empirical investigation'. *Leadership & Organization Development Journal*, vol. 21, No. 8, 405-413.

Bass, B. M.; Waldman, D.A.; Avolio, B.J. ; Bebb, M. (1987), 'Transformational Leadership and the Falling Dominoes Effect', *Group and Organization Studies*, vol.12, No.1, 73-87.

Beteille, Andre. (1999), 'Empowerment', *Economic and Political Weekly*, vol.34, No. 10 and 11, pp.589-97.

Bird, Barbara; Brush, Candida (2002), 'A Gendered Perspective on Organizational Creation', *Entrepreneurship Theory and Practice*, vol.26, No.3, Spring, 41-65.

Born, Leontine; Molleman, Eric (1996), 'Empowerment and rewards: a case study', *Empowerment in Organizations*, vol.4, pp. 30-33.

Bruni, A.; Gherardi, S.; Poggio, B. (2004), 'Entrepreneur-mentality, gender and the study of women entrepreneurs', *Journal of Organizational Change Management*, vol. 17, no. 3, pp.256-268.

Brush, C.G. (1992), 'Research on women business owners: past trends, a new perspective and future directions', *Entrepreneurship Theory and Practice*, vol. 16, No. 4, pp. 5-30.

Butschek, Felix (2006) 'The Role of Women in Industrialization', *Working Paper Series by the University of Applied Sciences of bfi Vienna*, No.25

Chaganti, R. (1986), 'Management in women-owned enterprise', *Journal of Small Business Management*, vol. 24, No. 4, pp. 18-29.

Collins, David (1995), 'Rooting for empowerment? ', *Empowerment in Organizations*, vol.3, pp.25-33.

Cuba, Richard; Decenzo, David; Anish, Andrea (1983), Management Practices of Successful Female Business Owners. *American Journal of Small Business*, vol. 7, No.2, pp.40-47.

Eagly, A.H., Johannesen-Schmidt, M.C. and van-Engen, M.L. (2003), "Transformational, transactional, and laissez-faire leadership styles: a meta-analysis comparing women and men", *Psychological Bulletin*, vol. 129, No. 4, pp. 569-91.

Eklund, Leena (1999), "From Citizen Participation Towards Community Empowerment", Tampere University Press (diss.).

Fondas, N. (1997), 'Feminization Unveiled: Management Qualities in Contemporary Writings', *Academy of Management Review*, vol. 22, pp. 257-82.

Hoselitz, Bert (1951), 'The Early History of Entrepreneurial Theory', *Explorations in Entrepreneurial History*, vol.3, pp.193-220.

Kalleberg, Arne L.; Leicht, Kevin T. (1991) 'Gender and Organizational Performance: Determinant of Small Business Survival and Success', *Academy of Management Journal*, vol.39, No.1, March, pp.136-61.

Kark, R. (2004), 'The Transformational Leader: Who is (s)he? A Feminist Perspective', *Journal of Organizational Change Management*, vol.17, No. 2, pp.160-176.

Li, Shuguo (2002), 'Chinese Female Entrepreneurs' Living Condition: Women Can still Back up Half Sky', *China News Agency*.

Liu Youhong (1995), 'The Economic Situation of Ancient Chinese Women', *Research of Chinese History*, vol.4.

McKenna, Steve (1995), 'The Cultural Transferability of Business and Organizational Re-engineering: Examples from Southeast Asia', *The TQM Magazine*, vol.7, No.3, pp.12-16.

McDonald, Joe (2007), 'China's Economy Grows 11.2 Percent', *AP News*.

Minkler, A.P. (1992), 'Why Firms Franchise: a Search Cost Theory', *Journal of Institutional and Theoretical Economics*, pp.240-259.

Neider, Linda (1987), 'A Preliminary Investigation of Female Entrepreneurs in Florida', *Journal of small business management*, vol. 25. No.3.

Pinderhughes, E. (1983), 'Empowerment for Our Clients and for Ourselves', *Social Casework* 27, pp. 331-338.

Rappaport, J. (1981), 'In Praise of Paradox: A Social Policy of Empowerment over Prevention', *American Journal of Community Psychology*, vol.9, pp.1-25.

Rappaport, J. (1985), 'The Power of Empowerment Language', *Social Policy*, vol.16, pp. 15–21.

Riger, S. (1984), 'Vehicles for empowerment: The case of feminist movement organizations', *Studies in Empowerment*, vol.3, pp. 99-117.

Schwartz, Eleanor Brantley (1976), 'Entrepreneurship: A New Female Frontier', *Journal of Contemporary Business*, Weinter, pp.47-76.

Solomon, George T.; Winslow, Erick K (1988), 'Toward a Descriptive Profile of Entrepreneur', *Journal of Creative Behavior*, vol.22, No.3, pp.162-171.

Swift, C.; Levin, G. (1987), *Empowerment: An emerging mental health technology*, *Journal of Primary Prevention*, vol.8, pp.71-92.

U.S. Department of Commerce, Bureau of the Census (1990), *Women Owned Business*, 1987. Washington, D.C.: U.S. Government Printing Office.

Wang, Xiaolu (2003) 'Viewing the Common Female' Position in the Republic of China from the Right of Divorce --An Analysis Based on Case Files', *Journal of Lanzhou Commercial College*, vol.4.

Watts, Jonathan (2006), 'Female Entrepreneur Tops China's Rich List', *The Guardian*.

Ye, Wenzhen; Liu, Jianhua; Du, Juan; Xia, Yiran (2003), 'The Social Status of the Female in China and Its Influence Factors', *Population Journal*, vol.5.

### **Internet Sources**

Speech of Cui Yu, Minister of Development in All-China Women's Federation (2007)  
<http://www.women.org.cn/allnews/22/6.html> (Retrieved: 5/15/2008)

## 8. Appendix

### Interview

Name:

Age:

Company:

Title:

- 
1. How many employee/subordinates are you in charge of now?
  2. How did you start your business?
  3. How long have you worked in this field?
  4. After how many years have you been in the leader position?
  5. Do you share company information to all staff or to some extent or not?
  6. Do you make very decision by yourself? Do you delegate power to your subordinates?
  7. If your employees make mistakes when they use the power you delegate to them, what will you do?
  8. Do you encourage your employees to do decision-making?
  9. Do you reward or punish your employees?
  10. What is the relationship between you and your subordinates?
  11. What is the organizational structure in your company?
  12. Do you satisfy with your employees' contribution?
  13. How do you describe your personality?
  14. Do you think you are creative, risking-taking and positive?
  15. Do you have the sense of power?
  16. How do you understand the sense of power in management?