

Why Measure Entrepreneurship from a Gender Perspective?

Evidence and Data for Gender Equality (EDGE)
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Alicia Robb, Ph.D.
Senior Fellow, Kauffman Foundation



Gender equality is not just about economic empowerment. It is a moral imperative. It is about fairness and equity and includes many political, social and cultural dimensions. Gender inequality means not only foregoing the important contributions that women make to the economy, but also wasting years of investment in educating girls and young women. Making the most of the talent pool ensures that men and women have an equal chance to contribute both at home and in the workplace, thereby enhancing their well-being and that of society.

OECD Report: Closing the Gender Gap (2012)

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Four Foundational Questions: Women's Entrepreneurship Research

- Are women and men equally likely to engage in entrepreneurial activity? (no)
- Do female and male entrepreneurs tend to differ with respect to financial resource acquisition? (yes)
- Do female and male entrepreneurs tend to enact different strategic, organizational, and managerial practices? (mixed)
- Do female-led and male-led firms perform equally well? (on the surface, no, but....)



Do female-led and male-led firms perform equally well?

- With respect to many standard economic indicators (business size (employment, revenues, assets, profits)—WOB firms are smaller than MOB
- A growing number of studies challenge this underperformance hypothesis--collectively, they reveal mixed results on performance indicators beyond those summarized above.
 - Survival
 - Financial ratios (return on sales, assets or equity)
 - Risk-adjusted performance indicators, which adjust for the greater variability in profits (i.e. riskiness) of firms
- Robb and Watson (2012, p. 557): “While female-owned ventures are generally smaller they do not underperform male-owned ventures provided appropriate performance measures are adopted and key controls are incorporated into the analysis.”

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Women's entrepreneurship has its intellectual roots in two broad (& sometimes overlapping) areas of scholarship:

(1) Feminist theory and research

(2) Gender and occupations literature



Feminist theory and research is predicated on the assumption that gender is not merely fundamental in the structuring of society, but that this process disadvantages women.

- A goal of feminist scholarship is to seek an end to this condition.
- Documenting differences between male and female entrepreneurs and their ventures—and the obstacles faced by women business owners in particular
- A feminist lens, however, tends to be implicit rather than explicit within the vast majority of women’s entrepreneurship research.
- The explicit use of feminist theory is most pronounced within critiques of extant research. These critiques, in particular, strive to deliver on another key goal of feminist scholarship, which is “to reappraise the knowledge that has been produced in a field and to reappraise the methods that have produced this knowledge”



The gender and occupations literature “examines the evolving roles and experiences of men and women in the global workplace”

- The accumulated evidence is clear- females are still less likely to be employed (or entrepreneurs) than males.
- The labor force not only remains sharply segregated into male-intensive and female-intensive occupations but also clearly stratified, with women concentrated amongst the lower levels of organizational hierarchies and earning less pay (even for comparable work). (Same for ENT)
- The pervasive gender-based segregation and stratification documented by gender and occupations scholars provides an important impetus for understanding how the entrepreneurial activity of both men and women is gendered



Entrepreneurship is a gendered phenomenon

- Entrepreneurship is not a gender-neutral phenomenon.
- Entrepreneurial activity occurs within—and is thus impacted by—systems of socially constructed and widely shared beliefs about the characteristics typically associated with women and men and the behaviors and roles deemed appropriate for members of each sex.



Entrepreneurship is a gendered phenomenon

- Entrepreneurship tends to be perceived and portrayed as a stereotypically masculine endeavor.
- Individuals typically associate the entrepreneurial role with masculine traits such as self-reliance, competitiveness, and assertiveness (e.g. Gupta, Turban, & Bhawe, 2008).
- Entrepreneurship tends to be presented within the popular press (Achtenhagen & Welter, 2011; Baker et al., 1997), educational materials (Ahl, 2007), and the academic literature (Ahl, 2004; Baker et al., 1997) as a job more suitable for men than women.



Entrepreneurship is a gendered phenomenon

- Entrepreneurs themselves contribute to the perpetuation of gender stereotypes. Eg.-Verheul, Uhlaner, and Thurik (2005) found that female university graduates are less likely than their male counterparts to perceive themselves as entrepreneurs—even if their actual business accomplishments (e.g. founding, running, and/or owning a small business) are widely considered to be entrepreneurial.
- Cliff et al. (2005) found that female and male business owners tend to talk as if they organize and manage their firms in gender-stereotypic ways even when no differences are observable in their actual practices.



Entrepreneurship is a gendered phenomenon

- A growing body of work demonstrates how gender stereotypes can help explain the tendency for women to:
 - Evaluate business opportunities less favorably,
 - Possess lower levels of entrepreneurial self-efficacy and/or
 - Express lower intentions of becoming an entrepreneur
- Langowitz and Minniti (2007) found that subjective perceptual variables influence women's entrepreneurial propensity and can account for much of the difference in entrepreneurial activity between the sexes.
- Across all countries in the GEM dataset analyzed, women tended to perceive themselves and the entrepreneurial environment in a less favorable light than men



Entrepreneurial activity is embedded in family systems.

- Many entrepreneurial decisions, processes, and outcomes are not only influenced by, but also exert an impact upon, family-level factors
 - Many female entrepreneurs do not view their businesses as separate economic entities but rather as endeavors entwined with other aspects of their lives.
- Empirical research supports the family embeddedness of women's entrepreneurial activity.
 - Studies indicate that women are especially motivated to start their own businesses in the hopes of attaining a better work-family balance
- The nature and effects of family on women's entrepreneurial activity are likely to vary across different institutional, societal, and cultural contexts. (Welter, Smallbone, & Isakova, 2006).

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Entrepreneurial activity can result from necessity as well as opportunity.

- Early theory focused on market “pull” factors, but later work looked at entrepreneurship being precipitated by life path changes resulting from negative displacements or “pushes”, such as divorce or unemployment.
- Brush (1990) built on this framework by suggesting that women are motivated by both pull factors (market opportunities) and push factors (negative displacements), depending upon their family situation and context.
- Ducheneaut (1997) added specificity, arguing that pull factors for women are linked to independence, self-fulfillment, and income pursuit, whereas push motives are linked to dissatisfaction with current employment (including glass ceiling effects), flexibility and family concerns, and income necessity (due to being a single parent or having a husband out of work).
- Empirically, the accumulated evidence is persuasive that necessity-based, “push” motivations are more prevalent amongst female than male entrepreneurs in both developed and developing countries.

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Entrepreneurs pursue goals beyond economic gain

- Entrepreneurial success continues to be equated by mainstream researchers with growth in sales, profits, and/or employees in countless studies.
- There is a need to challenge the presumed goals related to economic gain in many prevailing conceptions of entrepreneurship.
- Female entrepreneurs tend to attach less value to business expansion and financial success—and/or to possess lower growth aspirations—than their male counterparts.
- Hybrid goals: those that are both economic and non-economic in nature. Balancing economic goals such as profit and growth with non-economic goals such as product quality, personal enjoyment, helping others, and contributing to society
- Greater recognition of the fact that many entrepreneurs pursue goals beyond economic gain has implications for general entrepreneurship research—theoretically, methodologically, and philosophically.



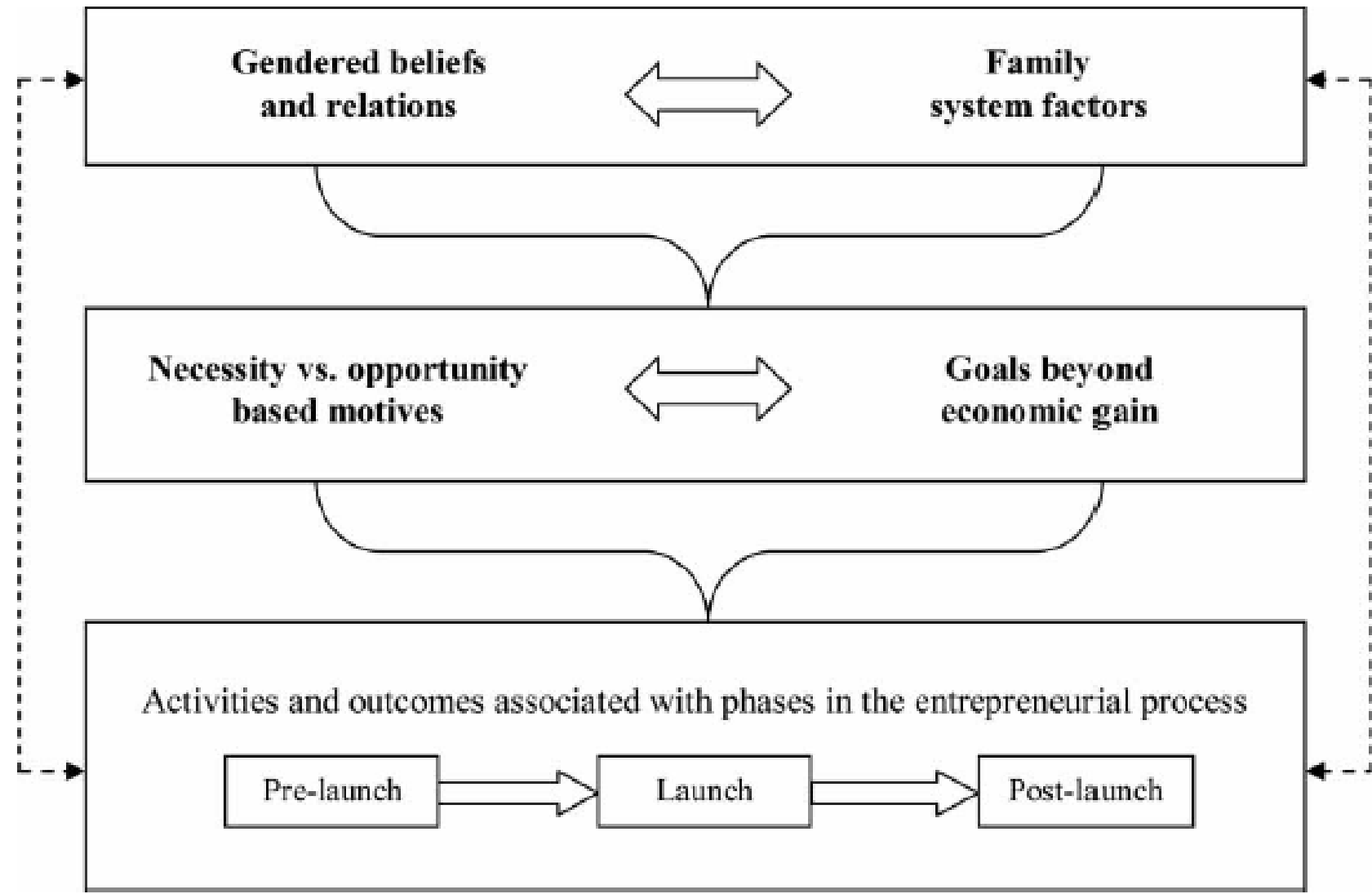


Figure 3 Interrelated Theoretical Insights from Women's Entrepreneurship Research.

Why measure entrepreneurship from a gender perspective?

- Determinants of Entrepreneurship
- Characteristics of Firms
- Performance of Firms

- Pre-launch, Launch, Post Launch
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