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Female Entrepreneurship Research: Established Knowledge and Emerging Trends

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Introduction

The lesson presents the topic of female entrepreneurship, that is a complex topic of key relevance for developed as well as for developing economies in every sector of activity and, especially, in tourism.

Through this lesson, the reader can acquire specific knowledge about what is female entrepreneurship and what has been the evolution of academic literature dealing with it.

The most relevant streams of research will be here discussed.

The role of women

Referring to gender issues, the increasing number of firms created and managed by women over the last decades worldwide has led scholars and policymakers to recognize women as the fastest growing entrepreneurial populations in the world (Jennings and Brush, 2013).

Overview

- Data are, actually, impressive: the 2017 Global Entrepreneurship Monitor (GEM) underlines indeed that women own about 46% of all the businesses in the world (GEM, 2017).
- At the European level, recent data show that women entrepreneurs constitute 29% of the total amount of entrepreneurs (11.6 million) (European Commission, 2014).
- However, despite these meaningful numbers, a more in-depth view of these data brings to light an overall troubling picture of women entrepreneurship.

The Entrepreneur

- Interesting to note is the fact that, in the literature on this topic, when scholars think, refer to, speak about entrepreneur they usually refer to a “male”.
- So, generally speaking, the entrepreneur is a **WHITE, MIDDLE-CLASS, MALE**.
- They have **masculine connotations**. It is not only the frequent use of the **male pronoun** (this was standard in science until the 1980s) but **also the way the entrepreneur is described**.
- The contemporary texts were less prone to use the male pronoun.

Masculine connotations



Schumpeter (1934/1983, pp. 93–94) describes the entrepreneur as a **man** of daring and decisiveness who is motivated by “the dream and the will to found a private kingdom, usually, but not necessarily, also a dynasty,” which offers him a sense of power and independence. He is driven by the will to conquer: “the impulse to fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself . . . Our type seeks out difficulties, changes in order to change, delights in ventures.” According to him, such men are unusual. Many men can sing, he writes, but the Carusos are rare.



Masculinity and femininity words: some examples

Masculinity words	Femininity words
<p>Self-reliant Self-centered, internal locus of control, self-efficacious, mentally free, able Defends own beliefs Strong willed</p> <p>Assertive Able to withstand opposition</p> <p>Strong personality Resolute, firm in temper Forceful, athletic* Unusually energetic, capacity for sustained effort, active Has leadership abilities Skilled at organizing, visionary</p> <p>Willing to take risks Seeks difficulty, optimistic, daring, courageous Makes decisions easily Decisive in spite of uncertainty</p> <p>Self-sufficient Independent, detached</p> <p>Dominant, aggressive* Influential, seeks power, wants a private kingdom and a dynasty Willing to take a stand Stick to a course Act as a leader Leading economic and moral progress, pilot of industrialism, manager</p> <p>Individualistic* Detached</p> <p>Competitive* Wants to fight and conquer, wants to prove superiority</p> <p>Ambitious* Achievement oriented</p> <p>Independent* Independent, mentally free Analytical</p>	<p>Gentle Cautious</p> <p>Loyal Follower, dependent</p> <p>Sensitive to the needs of others Selfless, connected Shy*</p> <p>Cowardly</p> <p>Yielding* Yielding, no need to put a mark on the world, subordinate, passenger, irresolute, following, weak, wavering, external locus of control, fatalist, wishy-washy, uncommitted, avoids power, avoids struggle and competition, self-doubting, no need to prove oneself</p> <p>Gullible* Gullible, blind, shortsighted, impressionable, making bad judgments, unable, mentally constrained, stupid, disorganized, chaotic, lack of business talent, moody</p> <p>Sympathetic, affectionate, understanding, warm, compassionate, eager to soothe hurt feelings, soft spoken, tender, loves children,* does not use harsh language,* cheerful,* childlike,* flatterable*</p>

Entrepreneur as a masculine concept

- Femininity words such as loyal, sensitive to the needs of others, gentle, shy, yielding, gullible, and childlike **are the direct opposites of the entrepreneur words**. The other femininity words, affectionate, sympathetic, understanding, etc., **do not seem to be present in the entrepreneurship discussion at all**. They are neither on the list of words.
- Describing the entrepreneur, nor are they the opposites of such words.
- **The conclusion drawn is that entrepreneur is a masculine concept, i.e., it is not gender neutral**. The implication is that any investigation of women entrepreneurs that builds on earlier scholarly work risks comparing them to a **male-gendered archetype**.

Some Data from GEM 2018/19

- Among women, 36.4% work as solo entrepreneurs, operating on their own without co-founders or employees, compared to 26.9% of men.
- Globally, 2.5% of women entrepreneurs and 5% of men entrepreneurs have more than 20 employees.
- Overall, fewer than 30% of all entrepreneurs expect to add more than six employees in the next five years, but there is a substantial gender gap in that 18.7% of women entrepreneurs expect high growth compared to 29% of men entrepreneurs.
- Overall, men are about 10% more likely to be undeterred by fear of failure than women; and, across all regions, men have a more positive response than women.

Myths on female entrepreneurship

According to previous studies on female entrepreneurship:

- Women-owned firms are smaller than men-owned firms.
- Women entrepreneurs are generally younger than men and face greater difficulties in the access to credit.
- Educational levels are often the same for men and women entrepreneurs, but women are less likely to have a formal education in business or financial issues.
- Women entrepreneurs tend to establish more informal networks.
- Women entrepreneurs show lower performance than male entrepreneurs.

Systematic Literature Review

- In order to analyze the progress made by academia in the female entrepreneurship domain over time, we have adopted a thematic approach that combines a managerial and a sociological perspective.
- To this end, we present here the results of a systematic literature review (SLR) conducted on 248 papers dealing with various issues related to female entrepreneurship.



Systematic Literature Review: inclusion/exclusion criteria

1. Only peer reviewed articles written in English and published in the period from January 2000 to January 2012 were examined;
2. Business Source Premier (EBSCO), ABI/Informs and Ingenta ScienceDirect were chosen as the research databases;
3. Primary search keywords: “female” or “wom*” or “gender”;
4. Additional search keywords: “firm*” or “enter*” or “own*” or “business” or “corporation*” or “compan*” or “enterp*” or “venture*”;
5. Papers selected in phase4 were further scanned by reading all their abstracts;
6. Articles’ substantive relevance was ensured by reading all the papers selected through the previous screening of abstracts;
7. The *snowballing* technique was used for consolidating the research outputs.

Research Results: A Summary

Phase	Description	Total
3	All articles containing at least one of 3 primary keywords in their abstract	34.418
4	All articles containing at least one of 7 additional keywords in their abstract	5.742
5	All the articles whose abstracts are substantively relevant	743
6	All the articles whose text is effectively relevant	244
7	Snowballing technique	248

Most important themes

The most relevant themes that emerged from the in-depth analysis of the 248 papers are the following, that will be then described in detail.

1. New research patterns
2. Entrepreneurial characteristics
3. Financing
4. Management & Strategy
5. Performance

New research patterns

1. Female ethnicity
2. The role of women entrepreneurs in developing countries.

Female ethnicity

- It refers to the role immigrant women entrepreneurs may play in developed countries and it is considered as one of the most promising topic because of the ongoing globalization process. Moreover, this topic seems particularly valuable because **it broadens the debate on the difficulties encountered by women entrepreneurs.**
- Immigrant women, indeed, may **experience specific forms of discrimination that local women do not encounter.** overall results show that linguistic, religious and cultural differences among immigrant women entrepreneurs may negatively impact their overall **entrepreneurial experiences.**

The role of women entrepreneurs in developing countries

- These papers are particularly valuable at least for 2 reasons: 1) the growing awareness that entrepreneurship does not have the same features throughout the world and 2) female entrepreneurship should be fostered to **generate productive work, achieve gender equality and reduce poverty.**
- These women have to fight against the social norms and stereotypes, as well as formal and informal prescriptions that, for example, **prohibit or discourage women from interacting with men other than their own relatives, in countries where loan officers are predominantly male.**

Entrepreneurial Characteristics

Why does an individual decide to become an entrepreneur?
According to the literature, women may be:

1. *pushed* into entrepreneurship because of a lack of (or dissatisfaction with) employment opportunities.

2. *pulled* into the endeavor to exploit some business opportunities; therefore, the most traditionally cited pull factor motivations are the need for achievement and the need for independence.

The most current theoretical findings clearly stress that the push/pull categories rarely exclude each other (Kirkwood, 2009) but still no clear consensus has emerged on which factor exerts the greatest influence.

With regard to women's motivations to become entrepreneurs, more often than men, women start a business because of the necessity to find a more flexible solution to combine work with family responsibilities (push factors), **clearly showing that entrepreneurship cannot be considered a panacea for balancing work and family role responsibilities**. Indeed, for most women entrepreneurs, obtaining and maintaining an appropriate balance between the domestic and business spheres of their lives remains a **constant challenge and source of tension**.

Financing

- New insights:
 1. The need to control for structural factors
 2. Homophily
 3. The study of the personality, experiences, beliefs and perceptions of loan officers.

Financing

...more specifically:

Financing can come from personal savings, family and friends, suppliers, banks, angels and venture capitalists.

1. Differently from men entrepreneurs, women entrepreneurs do have a negative perception of banks as sources of finance mainly because of their past negative experiences in seeking funding, which discourage them from seeking further external finance.
2. Moreover, recent studies posit that structural factors (e.g. age, sector, size) cannot be overlooked. Controlling for size and firm age, **women-owned firms have the same possibilities of access to credit as male-owned firms.**
3. Researchers are now debating a new topic in equity capital literature: homophily, meaning that **entrepreneurs prefer to seek funding from investors of the same sex.** The relatively small number of women employed in the venture capital industry and the small number of women business angels may in part explain the low level of venture capital funding.

Management and Strategy

- Results from this cluster are surprising too. Only 11 papers deal with the strategies undertaken by women-owned firms, **confirming the existing gap in the literature already identified by Brush (1992).**
- A reason for the small size of this cluster can be identified in the methods employed in the selected papers. The empirical papers, indeed, get data using surveys and interviews that do not allow to develop longitudinal analysis that is necessary to understand firm strategy.

Performance

The academic discussion is around two issues:

1. Performance measures
2. Statistical analysis and sample size

Performance

...more specifically:

- In this cluster we have grouped the papers that directly compare the performance of male- and female- owned firms; results are mixed . A number of scholars provide evidence of female under-performance while others contend that, controlling for certain factors, there are no real performance differences between the two groups.
- Scholars have generally been testing a variety of narrow and economic outcomes (such as profitability, turnover, sales, employment, revenues, growth, etc.). The current critique asserts that these measures are not entirely able **to grasp the non-economic results of female firms**

Conclusion

- The following table provides an integrative framework on the main advancements in the female entrepreneurship research domain from the SLR just described.

		Streams of research				New research pattern
		Entrepreneurial characteristics	Financing	Management & Strategy	Performance	Connections developing-developed countries
Developed countries	High behavioural differences among women entrepreneurs	Relevance of loan officers' personality and values	Internationalization	Need for different performance measures	Intersectionality Cross-country comparison	
	Stronger emphasis on motivation as a mix of push and pull factors	"Second order" gender effects Homophily Venture capital/Business angels	Networking	Operationalization of non-economic results		
	The link between gender and entrepreneurship					
	The family factors					
	Business characteristics					
Developing countries	-	-	-	-		
	The role of context					



To deepen the topic

Poggesi S., Mari M., De Vita L. (2015), “What’s new in female entrepreneurship research? Answers from the literature”, *International Entrepreneurship and Management Journal*, vol. 12, n. 3, pp. 735-764.