

Women and Entrepreneurship: A Gender Comparison in Spain

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Received: November 10, 2014

Accepted: December 15, 2014

Online Published: December 16, 2014

doi:10.5430/bmr.v3n4p82

URL: <http://dx.doi.org/10.5430/bmr.v3n4p82>

Abstract

In the institutionalization of men's and women's roles in today's society, three key issues affect women's entrepreneurial capacity. First, women seek to balance their family and professional lives. Second, capitalist society uses male-dominated values and instrumental rationality to pre-define success. Third, according to the literature, women possess less human capital than men do. Nevertheless, this study does not corroborate the finding that women possess less human capital than men do. Furthermore, results reveal non-significant gender differences in individuals' perceptions of whether women have the necessary skills to become entrepreneurs and whether society positively values entrepreneurship. This study shows that women's entrepreneurial potential is very similar to that of men. The study was carried out using data from the Global Entrepreneurship Monitor (GEM) for the period 2001–2010.

Keywords: Entrepreneurship, Gender differences, Gender differences in entrepreneurship, Woman entrepreneurship in Spain, Global Entrepreneurship Monitor (GEM)

1. Introduction

Women entrepreneurship literature from the last two decades is abundant, diverse and relevant. Nevertheless, it is underpinned by varying interests and conflicts between genders. Therefore, many of its assertions are difficult to verify empirically. Despite these controversies, a common result of gender comparative studies is that there are more similarities than there are differences between male and female entrepreneurs in many of their characteristics and motivations (Minniti, 2009). This observation is consistent with findings in the current study.

Part of the literature revised in the section entitled *women and women entrepreneurship* falls outside the scope of the present empirical study. Nevertheless, we consider this literature relevant in the field of women entrepreneurship. Regardless of the nature of women entrepreneurship research, it is always conditioned by dimensions of women's social status.

The section entitled *gender comparison in entrepreneurship*, relates some of the literature with the results of the empirical study. Accordingly, our empirical results confirm some assertions in the literature, and, conversely, the literature clarifies some of our empirical results. This discussion appears in the conclusions section.

The present empirical study took place in Spain. As societies evolve and cultures modernize, the percentages of male and female entrepreneurs in developed countries converge. From 2005 to 2010 in Spain, however, this convergence did not occur, as explained at the end of the conclusions section.

The specific objective of this study was to analyse gender differences in men's and women's perceptions and evaluations of certain items that characterize the entrepreneurial function. Analysis took place within a general framework building on a discussion of women entrepreneurship literature and using data that encompass more than just unemployment figures for both genders.

2. Theoretical background

In this section, we first define entrepreneurship. We then review the literature discussing how women's social status relates to entrepreneurial activity. Finally, to gain a better understanding of women entrepreneurship, we compare findings in the literature with the current empirical study's findings.

2.1 Entrepreneurship

Entrepreneurial action, as an expression of the human ability to create, occurs in business and in other areas of society. Schumpeter (1934, 1950), Penrose (1959), and Shane and Venkataraman (2000) have thus expressed entrepreneurship, each adopting different schools of management thought with different sensibilities. For Schumpeter, entrepreneurship consists of the entrepreneurial capacity to discover opportunities or create them through new means-ends relationships, thereby establishing the external and internal factors of entrepreneurial activity. For Penrose, as the manager converts his or her management actions into routines, these actions taken less time and effort, and leave room for the manager to undertake new entrepreneurial tasks and activities. Finally, for Shane and Venkataraman, entrepreneurship consists of discovering profitable opportunities.

Broadly, all human actions aimed at setting and achieving objectives constitute entrepreneurial actions. Entrepreneurial actions relate entrepreneurship to strategy and, especially, to strategy's most proactive aspects (Barringer and Bluedorn, 1999). Entrepreneurs are therefore defined as a group of people who "discover opportunities to create future goods and services" (including procedures required in the process) (Shane and Venkataraman, 2000: 218; Shane, 2012). Likewise, entrepreneurship is defined as actions that through "the different employment of the economic system's existing supplies of productive means" (Schumpeter, 1934: 67–68) create opportunities to obtain these new goods and services. Entrepreneurial activity is a complex phenomenon that encompasses innovation, venturing and strategic renewal (Zotto and Gustafsson, 2008). Strategic renewal in turn includes discovering and creating opportunities.

The OECD's (1998, p.11) definition of entrepreneurship encompasses the more important entrepreneurship research stream discussed in the previous paragraph.

"Entrepreneurs are essential agents of change in a market economy, and entrepreneurship fuels the drive for new economic and technological opportunities and efficient resource use.... Growth is promoted when entrepreneurs accelerate the generation, dissemination and application of innovative ideas.... Not only do entrepreneurs seek to exploit business opportunities by better allocating resources, they also seek entirely new possibilities for resource use."

2.2 Women and women entrepreneurship

Examining women's social status reveals that institutionalization of men's and women's roles in the family and social context reduces the time and energy women need to access opportunities or carry out new combinations of factors. Consistent with research by Tharenou et al. (1994a, 1994b) and Kirchmeyer (1998, 1999), some of the most important factors that determine men's and women's careers and entrepreneurial actions are human capital inputs, support from interpersonal relations (social relations), gender's role at the individual level (personality and sex), and family status and/or family obligations.

In general, having children negatively affects women's pay (Kirchmeyer, 1999). In addition, children and the attention they require hinder women's work experience, reducing their career advancement and chances of being promoted (Tharenou et al., 1994a, 1994b). In response to Tharenou et al.'s views on women entrepreneurship, Burke (2007: 113) remarked that women "had lower managerial advancement than men because of their lower human capital inputs of training and work experience, structural barriers in regard to promotion and training and the multiple roles of manager and mother."

Substantially expanding and modifying the aforementioned view, Brush (1992, 1997) used the radical view of *gender-cultural feminism* to introduce a holistic perspective of economic and social dimensions. By doing so, Brush indicated that entrepreneurial action by women in business was linked to family, social and personal relations. Provided women's relations differ men's relations, these differences provide women with distinct skills from those of men. In this vein, Brush et al. (2009) developed a model of women entrepreneurs, introducing maternity as a distinctive characteristic. Nevertheless, the authors stressed the need to transcend women's specific characteristics and emphasized the process that allows women to exploit their knowledge and experience in general (e.g., political, cultural) and specific (e.g., conditions of the industry where they operate) environments.

Taking a critical view of conventional literature but without alluding to a radical political position, Calás, Smircich and Bourne (2007) argued that liberal feminist thinking obscures the fact that many of capitalist society's objectives pre-define successful activities. Hence, capitalist society propagates the patriarchal order, whereby values of instrumental rationality corresponding to profit or performance dominate to the detriment of interests based on people, their characteristics and their idiosyncrasies.

Clearly, when women entrepreneurs begin start-ups or engage in corporate entrepreneurship, the dual responsibility of entrepreneurial activity and family obligations lower women's capacity to discover or create opportunities, reduce their entrepreneurship or opportunity-creation capabilities, and diminish their corporate entrepreneurship capabilities. Therefore, practices to mitigate the conflict between women's professional and family lives are important for society to receive the best of women entrepreneurs' capabilities and initiatives.

Nevertheless, as pointed out by Calás et al. (2007), these measures tend to institutionalize men's and women's traditional roles even more profoundly. Hence, from the vision of radical feminism, a change towards reconciling work and family can hinder – or delay – transformation of women's social status. For Calás et al. (2007), recognizing and mitigating differences can in fact help to consolidate them, especially because differences between men and women are not simply socially unjust differences, but also biological differences that can never disappear. As Brush et al. (2009) noted, in a fair and balanced world, research would examine the extent to which these differences yield different abilities or different ways of succeeding in business. Calás et al. (2007: 99), however, pointed out that in the real world, “sex/gender differences’ are the effect and not the cause of these same structural and discursive circumstances”.

This social, political and economic discussion about women and women entrepreneurship enriches the evaluation of conditions and their consequences. But, so that discussion can contribute to empirical studies on women entrepreneurship, the discussion must be outlined and analysed.

2.3 Gender comparison in entrepreneurship

Tharenou (1994a, 1994b), Kirchmeyer (1998, 1999) and Burke (2007) have shown that human capital input is one of the most important factors that affect entrepreneurship. Women, owing to their family obligations, gain less experience and knowledge that men do.

Regardless of ethical and social questions that support equality between men and women, and regardless of structural modifications needed to attain equality, in Spain between 2001 and 2010, women's perceptions of knowledge, skills and experience to start a business were not significantly different from men's perceptions (see Tables 1 and 4). Thus, in the case of women entrepreneurship in Spain, assumptions in the literature – or at least most of them – are not met.

According to data from “Mujeres y Hombres en España (2009)” (Men and Women in Spain, 2009), 54.24% of all students enrolled in Spanish university degree programmes for the academic year 2006–2007 were women, and the percentage of women who attained Bachelor's degrees was also higher than that of men. Women's educational attainment during this period therefore seems satisfactory. Our empirical research did not reveal significant differences between men's and women's perceptions of experience needed to start a business. Indeed, “no definitive evidence exists on the relationship between education and entrepreneurship for either men or women, and the literature offers some conflicting results” (Minniti, 2009: 533).

The theoretical discussion from the previous section implies the probable explanation for significant differences in men's and women's perceptions regarding the fear of failure that hinders entrepreneurs when starting businesses (Table 4). As mentioned in the previous section, Calás et al. (2007) argued that many of capitalist societies' objectives pre-define successful activities whereby instrumental rational values belonging to men dominate. Calás et al. were referring to a cultural framework that imposes psychological difficulties for women to engage in business activity. Within this cultural framework, in its most hostile dimension towards women, failed women entrepreneurs are blamed for having engaged in entrepreneurial activity. These attributes of the cultural framework illustrate society's lack of acceptance of women entrepreneurship.

Concerning entrepreneurs' age, Minniti (2009: 530) reported the following: “the distribution of women who are involved in entrepreneurship across age cohorts follows that of men.” This observation reflects findings in our empirical study, whereby there were no significant differences between women and men regarding age (Table 4).

Three other items formed part of this empirical study: a) potential entrepreneurs' perceptions of how society views entrepreneurship (career choice); b) potential entrepreneurs' perceptions of how society acknowledges success in entrepreneurship (status); and potential entrepreneurs' perceptions of entrepreneurship as an alternative to unemployment (necessity driven). These three items correspond to cultural and economic conditions, and so they need no further introduction.

3. Method

3.1 Sample and data

We used a secondary data source to assess gender differences in entrepreneurial function. We used “Individual level

data GEM APS Global” from the Global Entrepreneurship Monitor (GEM). The GEM project involves annual assessment of entrepreneurial activity, aspirations and attitudes of individuals across a wide range of countries, including Spain. The London Business School and Babson College began the GEM initiative in 1999, and the GEM database has been growing ever since. The GEM database stores responses to a standard questionnaire. A questionnaire at the individual level collects data on entrepreneurial activity of people who have started a new business in the last 3.5 years (total early-stage entrepreneurial activity, TEA). This questionnaire relates entrepreneurial framework conditions (EFC) to the characteristics and profile of new entrepreneurs. A questionnaire item identifies entrepreneurs who have started a new business in the last year. In this study, only entrepreneurs that had created start-ups in the year of the survey were considered. These cases in the GEM database were identified by the question: Over the past twelve months have you done anything to help start a new business? Therefore, the GEM survey identifies new entrepreneurs annually. For this study, 7285 valid cases were selected.

Table 1 presents the GEM indicators used in this study.

Table 1. GEM indicators used in the study

Variable	GEM Indicator	Question	Range
Gender	Gender	DEMA. What is your gender?	1 = male 2 = female
Age	Age	DEMB. What is your current age (in years)?	
Education	uneduc	UNEDUC. UN harmonized educational attainment	0 = Pre-primary education 1 = Primary education or first stage of basic education 2 = Lower secondary or second stage of basic education 3 = (Upper) secondary education 4 = Post-secondary non-tertiary education 5 = First stage of tertiary education 6 = Second stage of tertiary education
Business experience	Suskill	Q1I. You have the knowledge, skill and experience required to start a new business.	0 = No 1 = yes
Career choice	nbgoode	Q1L. In my country, most people consider starting a new business a desirable career choice.	0 = No 1 = yes
Failure fear	fearfail	Q1J. Fear of failure would prevent you from starting a business.	0 = No 1 = yes
Status	nbstatus	Q1M. In my country, those successful at starting a new business have a high level of status and respect.	0 = No 1 = yes
Necessity driven	teanec_p	TEA: Necessity driven (only values for early-stage entrepreneurs)	0 = No 1 = yes

This study used data for years 2001 to 2010. During this period, Spain experienced considerable economic growth (from 2001 to 2007) and low unemployment rates, but in 2008, Spain experienced a sudden economic downturn that affected entrepreneurship and employment prospects. The unemployment rate is an important indicator for assessing

a region's economy. At the individual level, unemployment reflects a lack of employment opportunities, and it conditions individuals' career and status. Unemployment also contributes to psychological stress.

In Spain, the unemployment rate differs greatly depending on age and gender. Therefore, to improve the study's accuracy, for each case a different unemployment rate was assigned according to the individual's age and gender, and according to the year of the questionnaire. We obtained the unemployment rate from the INE (National Statistics Institute). There is always controversy over the best method to measure unemployment. In this study, unemployment was linked to the relative – rather than the absolute – difference between genders. Table 2 shows unemployment rates.

Table 2. Unemployment rate in Spain

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
16-24 years	17.1	20.7	22.8	21.3	15.8	14.6	13.4	20.1	36.9	39.1
Male	14.7	20.8	23.1	19.1	15.9	13.2	12.3	22.1	41.4	45.3
Female	19.9	20.6	22.3	24.0	15.7	16.3	14.7	17.7	31.5	32.0
25-54 years	7.3	8.6	8.8	8.3	5.9	5.7	5.8	8.1	14.7	16.1
Male	5.2	5.9	6.3	6.5	4.7	4.5	4.9	8.2	15.6	16.7
Female	10.3	12.3	12.0	10.6	7.4	7.3	6.9	7.9	13.6	15.4
55 years or more	6.2	7.6	6.2	7.4	4.8	3.9	5.0	4.8	10.0	12.3
Male	5.3	5.7	5.3	6.8	4.3	3.1	4.5	4.4	9.6	12.6
Female	8.4	11.8	8.1	8.5	5.9	5.2	5.8	5.6	10.5	11.8

Source: Spanish National Institute of Statistics (INE)

Besides age and gender differences in unemployment, there is an important difference in unemployment depending on highest education attained. Unemployment rates are always lower among persons with education beyond secondary education. Nevertheless, education was not considered when assigning the unemployment rate to each case.

Male entrepreneurs' average unemployment rate was 8%, whereas female entrepreneurs' average unemployment rate was 8.9%. Differences between male and female unemployment in all age groups remained throughout the economic growth period. From 2008 onwards, however, for ages under 55 years old, women suffered greater unemployment than men did.

4. Analysis and results

Table 3 shows means, standard deviations and correlations between variables.

Table 3. Mean, Standard deviation and correlations of the variables

Variables	Mean	SD									
			1	2	3	4	5	6	7	8	
1. Gender	1.4	.48									
2. Age	39.9	11.2	.01								
3. Education	3.8	1.3	-.03	-.00							
4. Business experience	.90	.30	-.01	.03*	.15**						
5. Career choice	.65	.48	.01	-.03*	-.10**	.03*					
6. Failure fear	.30	.46	.05*	-.00	-.09**	-.09**	.09**				
7. Status	.59	.49	.00	.02	.03	.03*	.22**	.05**			
8. Necessity driven	.15	.35	.01	.02	-.12**	-.03*	-.03*	-.00	-.02		
9. Unemployment	8.3	5.0	.08*	-.39**	-.06	-.03*	.00	-.02	-.03*	.01	

*p<0.5; **p<.01 (two tailed).

Notably, unemployment rate did not correlate with respondents' perceptions of fear of failure in entrepreneurship or with entrepreneurship as a career choice. Conversely, greater rates of unemployment correlated (with 95% significance) with a negative vision of entrepreneurs' status.

To observe gender differences, we performed ANOVA, the results of which are shown in Table 4.

Table 4. ANOVA by gender

Variable	F-value	significance
Age	.791	.374
Education	.546	.460
Business experience	.293	.588
Career choice	1.123	.289
Failure fear	15.789**	.000
Status	.046	.829
Necessity driven	.795	.373

Results show a surprising similarity between male and female entrepreneurs' average scores in all variables, except fear of failure. In the case of fear of failure, the average score for the male sample was 28% (0 = *no fear of failure*; 1 = *fear of failure*) and the average score for the female sample was 33%. Women entrepreneurs had more fear of failure than men did, and their unemployment rate was greater than that of men. As per ANOVA results, the significance of the F value between the two subsamples (male and female) was significant only for fear of failure. For all other variables, differences were non-significant.

Analysis revealed a low correlation between unemployment and fear of failure. Analysis also showed a reduction in women's job prospects compared to men from 2008 onwards. Therefore, we can discard the possibility that women's greater vulnerability in the labour market affects fear of failure. Notably, fear of failure and necessity-driven entrepreneurship were not correlated either. This finding implies fear of failure is a social phenomenon, rather than being affected by women's more precarious economic circumstances.

5. Conclusions

Results revealed similarities between men and women in Spain in almost all entrepreneurship aspects considered. Findings were consistent with the majority of gender comparative studies. Neither aspects related to education nor those related to age differed between men and women entrepreneurs. Results for age items supported findings in the entrepreneurship literature. Results regarding education items did not contradict findings in the literature because the entrepreneurship literature presents inconclusive results.

Results referring to experience, however, differed considerably from those in the literature, which highlights how women, because of family obligations (see section on *gender comparison*), gain less experience and knowledge than men do. Results obtained in the current empirical study failed to reveal significant differences between men and women in terms of experience needed to start a business.

Entrepreneurs' perceptions of the entrepreneurial function and its acceptance and recognition by society (status) depended on society's cultural features. In the case of Spain, results showed not significant differences between male and female entrepreneurs. Likewise, entrepreneurs' professional career was also shown to depend on cultural features of society, yet both genders valued it very similarly.

These aspects are all nonetheless related to success, or they favour entrepreneurship. According to analysis of fear of failure, women entrepreneurs had significantly more pessimistic views than did male entrepreneurs. As noted in the section on gender comparison (Calás et al., 2007), these differences in fear of failure probably owe to a culture that blames failed women entrepreneurs for having engaged in entrepreneurial activity. Fear, in this case, seems to be due to lack of acceptance of women entrepreneurs in Spanish society, where the success of women entrepreneurs cannot be denied socially but their failure is penalized.

Finally, as noted in the introduction, as societies evolve and their cultures modernize, differences between the percentage of men and women entrepreneurs in developed countries tend to diminish. In Spain between 2005 and 2010, however, this was not the case. Given that male and female unemployment has increased (although more intensely amongst men), the fact that men's entrepreneurial intention increased more than that of women (7.8% and

5.6% in 2010, respectively) can be attributed to social reasons and gender differences in perceptions of entrepreneurship, consistent with arguments in the previous paragraph.

Acknowledgments

The authors acknowledge the financial support from the project PAID-06-12 (Sp 20120792) from Universitat Politècnica de València.

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