

ENTREPRENEURIAL MOTIVATIONS: ARE WOMEN DRIVEN BY DIFFERENT MOTIVATORS THAN MEN? (I – THE LITERATURE)

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The present article has the goal to reveal the (eventually) differences between entrepreneurial motivations between men and women, in the case of EU and Romania. In the first part, we make a brief research into the literature related to this subject, and in the second part we shall reveal the facts and figures in the EU and Romania.

Key words: entrepreneurship, women entrepreneurship, motivation for business start-up

JEL code : M13, G32

1.Introduction

The present article has the goal to reveal the (eventually) differences between entrepreneurial motivations between men and women, in the case of EU and Romania. In the first part, we make a brief research into the literature related to this subject, and in the second part we shall reveal the facts and figures in the EU and Romania.

2.Motivations for entering into the entrepreneurship

Analysing the literature on factors determining people to start a business and become an entrepreneur we find a variety of reasons for this issue.

An empirical research carried by Shane, Kolvareid, and Westhead (1991) on the basis of a questionnaire

identified four factors: labeled recognition, independence, learning, and roles. Birley and Westhead (1994) instead identify seven factors: need for approval, need for independence, need for personal

development, welfare considerations, perceived instrumentality of wealth, tax reduction, and following role models. On the basis of these findings, Carter, Gartner, Shaver and Gatewood (2003) have developed five categories of entrepreneurship reasons: innovation, independence, recognition, roles, and financial success, adding self-realization as a sixth factor.

A very useful taxonomy is achieved by The Global Entrepreneurship Monitor, an international research consortium covering survey type research in 43 countries (2008) on three directions: entrepreneurial attitudes and perceptions, entrepreneurial activity and entrepreneurial aspirations. The GEM proposes two categories of entrepreneurs according to their motivations:

- the “opportunity entrepreneurs”, who start a business based on finding a good opportunity on the market²³⁰, and
- the “necessity entrepreneurs”, who start a business rather because they have no better choice or to avoid unemployment.

The GEM taxonomy is related to the “pull-push” factors approach. The “opportunity entrepreneurs” are driven by classical pull motivations, such as: the perception and exploitation of a market opportunity, of a better solution than the existing ones, the emergence of a new or

²³⁰ Entrepreneurial opportunities are “situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than the cost of their production” (Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), p. 220)

innovative idea, the recognition of an existing network he or she could try to exploit etc. (see McClelland, 1961; Shane et al., 1991; Birley and Westhead, 1994, cited by Caliendo and Kritikos, 2009a²³¹). The usually enjoy a better development

According to the taxonomy suggested by Carter et al. (2003), other pull motivations relate to motivations such as:

- independence and willingness to be free of any control or to become one's own boss;
- recognition and gain of acceptance and appreciation by other people (Nelson, 1968);
- self-realization, achievement of the entrepreneurial goals (Fischer, Reuber, and Dyke, 1993);
- financial incentives, the desire to gain more and achieve financial success (Birley and Westhead, 1994).

On the other hand, people's willingness to pursue entrepreneurial opportunities depends on factors such as: their opportunity cost (Amit, Meuller & Cockburn, 1995), their stocks of financial capital (Evans & Leighton, 1989), their social ties to investors (Aldrich & Zimmer, 1986), and their career experience (Carroll & Mosakowski, 1987; Cooper, Woo, & Dunkleberg, 1989)²³².

The "necessity entrepreneurs" are driven by push factors and their main motivations are:

- lack of other or better alternatives to unemployment (Evans and Leighton, 1990, Storey, 1991, Clark and Drinkwater, 2000, Masuda, 2006);
- lack of other income option in the case of unemployed persons facing the end of their unemployment benefits;
- advisement from other parties of the unemployed people to try self-employment as an alternative option to wage-employment and unemployment (see Caliendo and Kritikos, 2009b²³³).

Unlike "opportunity entrepreneurs", whose businesses enjoy better development, "necessity entrepreneurs" may suffer a high risk of failure (see Carrasco, 1999, Pfeiffer and Reize, 2000, or Andersson and Wadensjo, 2007), or, if they survive, they may produce only marginal businesses (Vivarelli and Audretsch, 1998), invest insignificant amounts of capital (Santarelli and Vivarelli, 2007), fail to create further jobs (Shane, 2009), and earn minimal incomes (Hamilton, 2000, and Andersson and Wadensjo, 2007)²³⁴.

A model of the factors motivating the entrepreneurial process was achieved by Shane et al. (2003):

²³¹ Marco Caliendo, Alexander S. Kritikos (2009). "I Want to, But I Also Need to": *Start-Ups Resulting from Opportunity and Necessity*, Discussion Paper No. 4661, December 2009, IZA

²³² Scott Shane, Edwin A. Locke, Christopher J. Collins, "Entrepreneurial motivation", *Human Resource Management Review* 13 (2003) 257-279

²³³ Caliendo, M. and A. Kritikos (2009). "Start-Ups by the Unemployed: Characteristics, Survival and Direct Employment Effects", forthcoming in: *Small Business Economics*, cited in Caliendo and Kritikos, 2009a

²³⁴ Caliendo and Kritikos, 2009a, p. 2

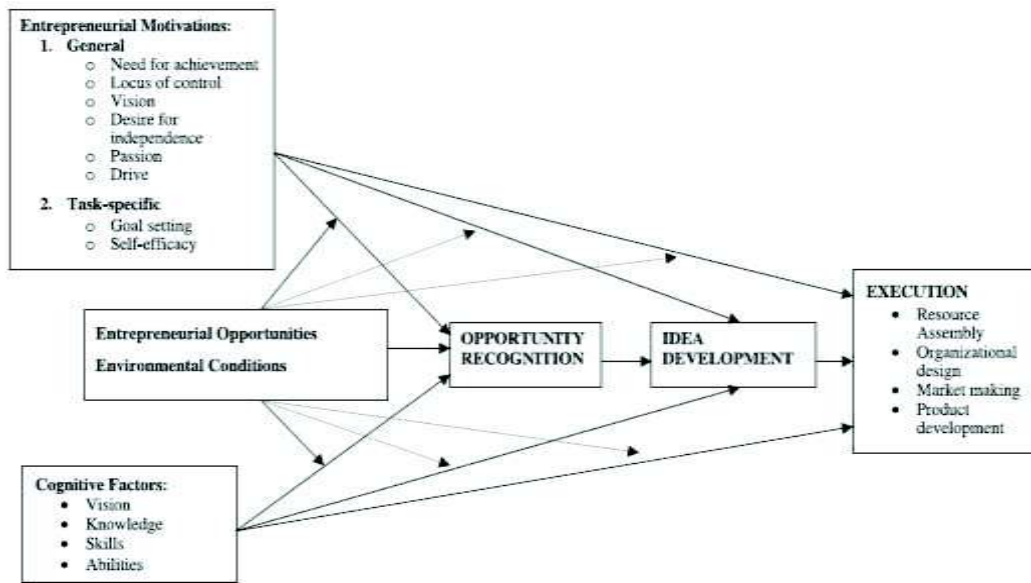


Fig. 1. Model of entrepreneurial motivation and the entrepreneurship process.

Source: Shane, S. et al (2003), p. 274

3. Are there gender differences about motivators?

Since the pioneering article on women's entrepreneurship of Eleanor Brantley Schwartz²³⁵, the literature on entrepreneurs' motivations enriched considerably. There were plenty of researches studying the main motivators for women versus men entrepreneurs and trying to identify classes of homogenous factors and their effects on the survival and the performance of the entrepreneurial firms.

Eleanor Schwartz founded in her above mentioned article that the main motivators of female entrepreneurs are the same as previously identified in the case of male entrepreneurs (Collins & Moore, 1964)²³⁶, namely: the need for achievement, job satisfaction, economic payoffs and independence. She found differences in the operated sectors (the predominance of service based businesses in the case of women) and discrimination regarding the access to financing.

Goffee and Scase (1985), analysing the women entrepreneurs' motivations in UK, proposed a typology of female entrepreneurs based on their relative attachment to conventional entrepreneurial ideals and their willingness to accept conventional gender roles, often subordinate to men. Four types of female entrepreneurs emerged in this taxonomy:

- 'conventional' entrepreneurs who were highly committed to both entrepreneurial ideals and conventional gender roles;
- 'innovative' entrepreneurs who held a strong belief in entrepreneurial ideals but had a relatively low attachment to conventional gender roles;
- 'domestic' entrepreneurs who organise their business life around the family situation and believed very strongly in conventional female roles and held low attachment to entrepreneurial ideals;

²³⁵ Schwartz, E. (1976). "Entrepreneurship: A new female frontier". *Journal of Contemporary Business*, 5 (1), 47-76

²³⁶ Collins, O. F. & Moore, D. G. (1964). *The Enterprising Man*. East Lansing: Bureau of Business and Economic Research, Graduate School of Business Administration, Michigan State University

- ‘radicals’ who held low attachment to both, often organising their businesses on a political, collectivist basis.

Hisrich and Brush (1986) continued these research trends, describing the ‘typical’ female entrepreneur as: the “first born child of middle-class parents ... After obtaining a liberal arts degree, she marries, has children, and works as a teacher, administrator or secretary. Her first business venture in a service area begins after she is thirty-five” (Hisrich and Brush, 1986, p. 14). The main factors motivating women to start-up a business were reported to be the desire for job satisfaction, independence and achievement.

However, some other researchers studying the women’s motivations for starting-up new businesses founded gender differences between men and women. Scott (1986)²³⁷ founded that men were concerned by the issue of independence and the desire to be their own boss, while women were concerned by personal challenge and satisfaction.

Empiric research carried on a national basis reported gender difference in the start-up motivations (Ljunggren & Kolvereid, 1996, Shabbir & D’Gregorio, 1996) and also the similarity across countries of women’s motivations²³⁸.

We can conclude that, overall, most studies consider that the motivations for start-up there are similar in the case of women and men entrepreneurs. People – male and female – enter into entrepreneurship and start-up businesses motivated by the desire to achieve job satisfaction, independence and financial payoff. The literature reported however differences in terms of growth motivation, women having lower growth ambitions than men (Carter, 1997, Wiklund, Davidsson & Delmar, 2003). The results are stable across industries and over time.

„Women tend to self-select from self-employment because they do not perceive that they have the competence needed to start and manage firms, that entrepreneurship is often perceived and portrayed as a male occupation. The lack of perceived competence will also diminish the motivation of women as the perception of competence and motivation are closely related to each other. If they decide to start firms they will to a higher degree choose to start more part-time and home-based firms in order to balance professional responsibilities with family responsibilities. Saying this, it is also necessary to remember that individual women may well act differently, that is some women will always behave in a non-typical way, resembling men in their pattern of behaviour” (OECD 2004)²³⁹.

Karen Hughes²⁴⁰ uses a taxonomy grouping the motivations into three classes:

- Classic entrepreneurs – motivated, as men, by: desire for greater independence, challenge and self-fulfillment, „own boss” desire, financial independence;
- Forced entrepreneurs (‘necessity based’) – driven by unemployment, job loss, lack of work opportunities;
- Work-Family entrepreneurs – motivated by: work-family balance, flexibility. These factors are especially important for women (see Brush 1992; Stevenson 1986, 1990). Lee-Gosselin and Grise (1990) underline the role of family-based motivations, noting that for some women “starting a business may be an adaptive

²³⁷ Scott, C. E. (1986). “Why more women are becoming entrepreneurs”. *Journal of Small Business Management*, 24 (4), 37-44

²³⁸ Greene, Patricia et al., *Women Entrepreneurs: Moving Front and Center: An overview of Research and Theory*, USASBE, 2003, <http://usasbe.org/knowledge/whitepapers/greene2003.pdf>

²³⁹ *Women’s Entrepreneurship: Issues and Policies*, 2nd OECD Conference of Ministers Responsible for Small and Medium-Sized Enterprises (SMEs) Promoting Entrepreneurship and Innovative SMEs in a Global Economy: Towards a More Responsible and Inclusive Globalisation, Istanbul, 3-5 June 2004, <http://www.oecd.org/dataoecd/6/13/31919215.pdf>

²⁴⁰ Hughes, Karen, *Does Motivation Matter? Women’s Entrepreneurship and Economic Success*, http://www.allacademic.com/meta/p_mla_apa_research_citation/1/0/4/5/4/p104549_index.html

response to the demands of the parent and spouse/partner roles, which are very important to them”²⁴¹.

D. P. Moore and E. H. Buttner (1997)²⁴² suggested that women started their own businesses from a desire for self-determination and for career challenge, and that they expect the corresponding respect, recognition, and self-esteem that both self-determination and challenge provide. For some women, high unemployment rates, and divorce force them into entrepreneurial activities²⁴³.

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²⁴¹ idem

²⁴² Moore, D. P. & Buttner, E. H. (1997). *Women entrepreneurs: Moving beyond the glass ceiling*. Thousand Oaks, CA: Sage.

²⁴³ Susanne E. Jalbert, *Women Entrepreneurs in the Global Economy*, 2000