

PhD project proposal: Resolving enigmas of female entrepreneurship

Project description

The importance of female entrepreneurship has been increasing all over the world (Junquera, 2011; Minniti, 2010). Since the first journal article on female entrepreneurship was published in 1976 by Schwarz (Schwarz, 1976), a distinctive field of research has been developing. Several special issues in top entrepreneurship journals on the topic have been published and the dedicated journal *International Journal of Gender and Entrepreneurship* was launched in 2009. However, several recent reviews reveal that despite the growing attention, there is still an imperative need to examine various aspects and dimensions of female entrepreneurship (e.g., Jennings & Brush, 2013; Panda, 2018; Yadav & Unni, 2016). More specifically, while there is already a considerable amount of studies on the constraints that female entrepreneurs face, much more knowledge is needed on the aspects in which female entrepreneurs are potentially more successful than male entrepreneurs (Panda, 2018). In what follows, we will discuss three studies that would help fill this gap. Before engaging in these studies, the PhD student would of course perform a thorough review of the literature to get in-depth knowledge about the topic.

Study 1: Female entrepreneurship, business goals and growth

There is still a lot of conflicting evidence about the impact of gender on the phenomenon of entrepreneurship. Indeed, some studies suggest that female entrepreneurship leads to lower performance outcomes compared to male entrepreneurship while other studies claim the opposite (Ross & Shin, 2019). However, there is more consensus on the constraints faced by female entrepreneurs. Several empirical studies reveal that compared to males, female entrepreneurs have a harder time acquiring funding and when they do, the terms are inferior with female entrepreneurs paying higher interest rates (Panda, 2018). These constraints are often put forward as an explanation for the general lower growth rates of women-owned businesses (Cabrera & Mauricio, 2017). However, in addition to extrinsic factors such as external parties that are less willing to invest in business run by women than men, also more intrinsic differences between males in females regarding their business-related beliefs and behavior may play a role in these gender differences. Therefore, in this study we would investigate the role of business goals to explain the difference in growth rates between businesses of female and male entrepreneurs. In this respect, we expect female entrepreneurs to attach different importance to various business goals compared to male entrepreneurs. Indeed, women tend to have a natural care-giving nature strengthened by societal roles and expectations (Hughes & Jennings, 2012) which could have a positive influence on the importance they attach to firm continuity, ensuring job security for employees and sustainability. Moreover, research suggests female entrepreneurs engage more in social and environmental activities than males (Hechavarria et al, 2012). Hence, we can investigate if female entrepreneurs set different business goals for their company than males and if so, how this affects business outcomes such as growth rate and profitability. As such, with this study, we not only contribute to the literature on female entrepreneurship but also to the broader entrepreneurship research as our results may extend and nuance the general view on slower-growing firms. Given the boundaries of our planet with regards to for example climate change, biodiversity loss, ocean acidification, freshwater use and chemical pollution, more research is starting to question our relentless pursuit of growth in economic theories and models (e.g., Hickel, 2019).

Study 2: Female entrepreneurship and sustainable innovation

In a second study, the focus would be on sustainable innovation. Building on previous research and potentially on the results in study one, we can theoretically argue that female entrepreneurs could be more *willing* to invest in sustainable innovation. There is a strong and persistent linkage between women and the environment, women being at the forefront of environmental activism since the 1980s (Resurrección, 2013) with climate activist Greta Thunberg as a recent example. Research suggests that women are closer to nature and, in the context of the growing environmental movement, women —also because of their care-giving nature— are argued to have a better understanding of the urgency of environmental protection (Mies & Shiva, 1993). On the other hand, their *ability* to invest in sustainable innovation could be lower

compared to men. As female entrepreneurs have less access to funding and receive funding on worse terms than male entrepreneurs (Panda, 2018), they might be less able to access the necessary funding to invest. Moreover, women are also less likely to have a technical degree in education, often lack access to technology and find themselves less able to adapt themselves to rapid technological changes (Panda, 2018). In sum, while female entrepreneurs might be more willing, they could be less able to invest in sustainable innovation. Being a parent can be argued as a potentially strong moderator for the relationship between male versus female entrepreneurship and investment in sustainable innovation. While being a father is also expected to strengthen a male's propensity to care for the future, motherhood tends to represent a more dramatic change in a woman's life as women are still the primary caregivers of children (Brush, De Bruin, & Welter, 2009; Panda, 2018). So motherhood can be argued to strengthen female entrepreneur's willingness to invest in sustainable innovation. However, becoming a parent is expected to further decrease their ability to do so as their available time generally decreases and lenders might judge a mother-entrepreneur to be an even riskier investment as she might invest fewer time and energy in the business (Junquera, 2011). This study could potentially add to the female entrepreneurship, innovation and sustainability literature.

Study 3: Female successors in family businesses

It is expected that women will increasingly take the lead in family firms in the future (EY, 2015; PWC, 2016). However, empirical research on gender and CEO successions is still rare (Ahrens, Landmann, & Woywode, 2015). There is a need for more research on the challenges and specific dynamics of female successions; daughters taking over the business from their father and/or mother (Campopiana, De Massis, Rinaldi, & Sciascia, 2017). Succession, because of the complexity and high costs in case of failure, is one of the most important events in a business (Ip & Jacobs, 2006). While several studies suggest primogeniture—the preference for the firm to be passed on to the oldest son—still prevails in family businesses (e.g., Ahrens et al., 2015, Bennedsen, Nielsen, Pérez-González, & Wolfenzon, 2007), female successions are also suggested to entail benefits for the family firm. Research shows that female successors are in general equipped with higher levels of human capital (Ahrens et al., 2015). Moreover, as father-daughter relationships are less competitive than father-son relationships (Galiano & Vinturella, 1995), it might be easier for the father to hand over responsibilities and step aside, making the succession process smoother. Daughters are also found to develop a “caretaker of the King's gold” identity, making female successors highly motivated to take good care of the business (Dumas, 1990). However, daughters usually also receive mixed messages from their business-owning parents. On the one hand they are expected to raise the next-generation while on the other hand they are criticized when they do not spend enough time in the family business (Cole, 1997). Women leaders of family business are also suggested to struggle more with work-life balance compared to their male counterparts (Vera & Dean, 2005). In sum, with this study, we would examine how the succession process differs for female successors and under what conditions a successful succession will take place. This study would contribute to the succession, family business and female entrepreneurship literature.

Methodological considerations:

From a methodological point of view, the supervisory team already has some survey-based data on female vs. male entrepreneurs containing information on growth, organizational goals and innovation, which could be used as a starting point for the exploration of these topics. Next to these databases, we can also make use of the HBO-monitor, a longitudinal database in which graduates are questioned 5 years after graduation. The data can be used to identify male and female self-employed graduates and contains data on work orientations (whereby “doing something useful for society” and “chance to combine work and private life” are potentially relevant), data on family formation, usefulness of social networks and a number of personality traits/socio-emotional skills (big 5, time discounting, risk-aversion, reciprocity). Secondary databases, such as the Global Entrepreneurship Monitor (GEM), are also interesting to explore as a special report on women entrepreneurship was published using GEM data (Kelley et al., 2017). Specific data can then further be collected by the PhD student to gain a deeper understanding of the topic.

Strategic relevance for SBE:

In the academic year 2020-2021, a new Entrepreneurship major in the bachelor of International Management is likely to be introduced. It will be important to also align our research with the new courses in this major, one of them being “Women entrepreneurship”. This PhD research could be the starting point of a new line of research in our school.

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Proposed supervisory team: Jolien Huybrechts (OSE); Anita Van Gils (OSE); & Barbara Belfi (ROA). As demonstrated by the short bios provided below, the composition of this supervisory team is purposefully chosen to include complementary knowledge on entrepreneurship and gender differences. As associate professor with ample experience in PhD supervision, Anita van Gils would serve as the main supervisor.

Jolien Huybrechts (PhD in Business Economics, Hasselt University) is Assistant Professor (tenured) at Maastricht University, School of Business and Economics, Department of Organization, Strategy & Entrepreneurship. Her work focuses on family firms, entrepreneurship, nonfamily CEOs, corporate governance, and risk-taking. Jolien has published in *Family Business Review*, *Entrepreneurship Theory and Practice*, *Journal of Small Business Management*, *Academy of Management Learning & Education*, *Journal of Family Business Strategy*, *Entrepreneurship and Regional Development*, among others. As a teacher and course coordinator, Jolien has been involved in various courses such as Entrepreneurship and Research Methods, Global Business, Social Entrepreneurship, and Business Plan at the BSc, MSc and MBA level. She is the Academic Advisor of two international Excellence Programmes: The NOVA double degree Master in International business/ International Master in Management; and the International Triangle Programme. She is a member of the Editorial Review Board of *Journal of Family Business Strategy* and Editorial Board member of *Entrepreneurship Research Journal*

Anita Van Gils (PhD in Economics, Groningen University) is Associate Professor in the School of Business and Economics at Maastricht University. She holds a professorship in strategic entrepreneurship at Windesheim University of Applied Sciences. Anita is also a member of the Scientific Committee of the Center for Young and Family Enterprise (CYFE) at the University of Bergamo (Italy) and an Associate Editor for the *Journal of Family Business Strategy*. The first half of 2016, she was the HAMRIN visiting professor at CeFEO, Jönköping University (Sweden). Topics central to her studies are innovation, governance, social engagement, and growth. Her research has resulted in international publications in journals and books, amongst which *Family Business Review*, *International Journal of Management Reviews*, *Small Business Economics*, *Journal of Small Business Management*, *International Small Business Journal*, *Entrepreneurship and Regional Development*, *Corporate Governance: an International Review*, *European Management Journal* and *Journal of Vocational Behavior*.

Barbara Belfi (PhD in Educational Sciences, KU Leuven) is research leader at the Research Centre for Education and the Labour Market (ROA). She leads a large survey study among graduates of professional higher education, named the HBO-Monitor, and an interdisciplinary workgroup on creativity in higher education. Barbara has secured grants from highly competitive grant competitions, including NWO PROO and ProBo competitions. In addition, she is independent research fellow of the Centre for Educational Effectiveness and Evaluation (KU Leuven) and fellow of the Graduate School of Business and Economics (Maastricht University). Her current research focusses on socio-economic, ethnic, and gender inequalities in skills acquisition in education and the labour market. Her scholarly work has appeared in journals such as the *Educational Research Review*, *British Educational Research Journal*, *Teaching and Teacher Education*, and the *British Journal of Educational Psychology*. Moreover, she has published in policy oriented outlets such as *Economisch Statistische Berichten (ESB)*, *THEMA voor Hoger Onderwijs*, *Bij de les*, and multiple policy reports.