

**EXPOSING THE ROLE OF GENDER IN THE PERFORMANCE OF  
FOUNDING ENTREPRENEURS**

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**ABSTRACT**

*Using a sample of 114 entrepreneurs, predictors of financial performance outcomes were tested related to founding status and gender. Significant differences were found for founding status indicating that entrepreneurs who founded their ventures were more likely to experience higher financial performance than non-founding entrepreneurs. Hypotheses relating to gender with founding status and financial performance were not supported. Further, gender was not supported as a moderator of the relationship between founding status and financial performance. Implications of these findings are discussed and avenues for future research on this topic are offered.*

## INTRODUCTION

Over the past decade, much attention has been given to the role of gender in entrepreneurship. For instance, the journal *Entrepreneurship Theory and Practice* dedicated an entire special issue to this topic. Yet, there is still much we do not understand about the role of gender (especially female entrepreneurs) in entrepreneurship (de Bruin, Brush, & Welter, 2006). Throughout this literature, multiple perspectives are used to understand the differences between male and female entrepreneurs (i.e. Jungian, feminist, and moral perspective). Another area of interest to those who investigate entrepreneurship is learning more about the differences between those who found their own business and those who obtain their business in other ways. That is, what are the differences between these two groups (founders and non-founders) and how does this difference influence financial performance. The purpose of this article is to increment what we already know about these two areas and bring clarity to how gender and founding status interact to predict firm performance.

## ENTREPRENEURSHIP AND FOUNDING

Whenever there is an academic discourse related to entrepreneurship one of the first questions asked is “How do you define entrepreneurship or an entrepreneur?” There is a full spectrum of opinions on this topic. Some argue that the pursuit of opportunity is the key distinction between those engaged in entrepreneurship and others (Davidsson & Wiklund, 2001). While others argue someone who owns a business and does not have employment outside said venture is engaged

in entrepreneurship (Brockhaus, 1980). Yet, others argue that entrepreneurship is the “creation of new organizations” (Gartner, 1988).

Taken as a whole, the preceding discussion concerning entrepreneurs highlights the topics of opportunity recognition, self-employment, and the creation of new businesses. These themes are used to frame the discussion in this article. Recognizing unexploited opportunities and creating new businesses is not always synonymous with self-employment. This founding vs. non-founding perspective to categorizing entrepreneurs is established in the entrepreneurship literature (Begley, 1995). Significant differences do seem to exist between these two groups. Stewart, Watson, Carland, and Carland (1998) describe entrepreneurs as those pursuing the goals of profit and growth and who use strategic planning. They describe small business owners as people who view their business as a part of who they are (their personalities) with the interest of providing family income. In their study of 767 small business owners from 20 of the United States, they found those who identified as entrepreneurs to be higher in achievement motivation, risk-taking propensity, and more inclined toward innovation. These findings are mirrored by a similar study by Begley and Boyd (1987) who, using a sample of 239 business owners, identified business founders to have significantly higher scores in the areas of need for achievement, risk-taking propensity, and tolerance for ambiguity than non-founders.

These findings and theorized differences between founders and non-founders seem to be substantial enough to point toward a possible performance differential between

those who founded their business and those who obtained their business through other methods (i.e. inheritance or purchase). All else being equal individuals with a high need for achievement who actively pursue profit and growth while taking risks and planning strategically (founders) should, on average, be expected to outperform those (non-founders) who either do not engage in these behaviors or engage in these behaviors to a lesser degree than others. This leads to our first hypothesis as follows:

*Hypothesis 1. Businesses founded by the entrepreneur will have higher performance than businesses not founded by the entrepreneur.*

### **THE ROLE OF GENDER**

To understand the role of gender in business formation, one must first discuss the role of gender in entrepreneurship. Any time there is a discussion about salient demographic distinctions, such as gender and race, the role of perception/views of the world generally comes into play. This is especially true in female entrepreneurship literature. This explains the multiple competing perspectives on the role gender plays in entrepreneurship and the study of entrepreneurship. The key points of three of these perspectives are discussed next.

First, is the Jungian perspective, which articulates the masculine and feminine, often using the terms “animus” and “anima” to refer to the two, respectively. The masculine is described as discriminating, cognitive, and repressing feeling (Jung, 1928; 1976). Traits associated with the masculine are planning ahead and creating an ideal future (Jung, 1928;

1976). The feminine is described as connective, opinionated, and sentimental. Traits associated with the feminine include the maintaining of relationships. In explaining this view, Jung describes that the masculine and feminine are “archetypes.” That is, no male is entirely masculine and no female is entirely feminine. Both men and women possess masculine and feminine qualities, a close reading of this work describes how this results from maternal and paternal influences on children at an early age. Nonetheless, the Jungian perspective generally associates feminine characteristics with females and masculine characteristics with males, although there can be very masculine females and very feminine males. In his 1928 work *Contributions to Analytical Psychology*, Jung describes how irrationality is part of both the masculine and feminine but in different ways. He describes the feminine as “irrational feeling” and the masculine as “irrational conceiving.” The implications of this on business founding will be discussed later.

Second is the moral development perspective. This theory centers on how men and women view the world differently along moral lines. Kohlberg and Kramer (1969) describe these differences where females are more “conformist” and males are more “legalistic” in nature. Gilligan builds upon the work of Kohlberg by taking a more dualistic approach to the differences between males and females where male moral development tends to focus on justice and respect for individuals and female moral development focuses on care and responding to needs (Gilligan & Attanucci, 1988). Bird and Brush (2002) summarize the moral development perspective well by characterizing the masculine as rule based, legal, and

hierarchical and the feminine as relational decision making with a focus on care. This characterization works well because it incorporates aspects of both the Kohlberg and Gilligan perspective. While this moral perspective often takes a dualistic tone (men possess masculine and women possess feminine traits with respect to moral development), Broughton (1983) revisits the interviews and other work of Gilligan (e.g. Gilligan, 1977; 1979; 1982) to point out that, much like the Jungian perspective, men and women sometimes “speak” in the voice of the other gender.

The third and final perspective presented herein is feminist theory. Alcoff (1988) states, “the concept of woman is the central concept for feminist theory” (p. 405). Scholars in this area often speak of “deconstructing” society, life, work, and so forth. Flax (1987) describes “deconstructive” as “see[ing] to distance us [women] from and make us [women] skeptical about beliefs concerning truth, knowledge, power, the self, and language that are often taken for granted within and serve as legitimation for contemporary Western culture” (p. 624). Bird and Brush (2002) assist in bringing clarity to this concept of deconstruction by describing it as creating a “feminine voice” for a plethora of phenomena and highlighting the importance of gender as an individual difference. They describe this “feminine voice” as valuing affiliation, developing others, pursuing social goals, and valuing the needs of individuals. Male (traditional) characteristics such as individual achievement and personal power would stand in contrast to these qualities (see Boyatzis, 1991 and Harlos, 1995 for more discussion). Thus this perspective takes the more dualistic approach (associated with Gilligan’s style of

moral perspective) to what is masculine and feminine.

### **THE ROLE OF GENDER IN FOUNDING ORGANIZATIONS**

Although the rate of women starting businesses has increased (Center for Women’s Business Research), fewer females start businesses than males (Delmar & Davidsson, 2000; Minniti, Arenius, & Langowitz, 2005). While this is an established phenomenon, this study aims to increase the cumulative knowledge of female entrepreneurship by drilling down into this fact to see if the ways female entrepreneurs start or obtain their businesses differ significantly from males. That is, are female entrepreneurs more or less likely to found their business, as opposed to some other way of obtaining a business such as purchasing or inheriting, than males.

Although women and men are similar in psychological skill (Brush, 1990; 1992), on average, women view the act of starting a business to be more complex than do men and tend to focus on different issues than their male counterparts (Bird & Brush, 2002; Burke, FitzRoy, & Nolan, 2002). It is argued that these differences affect the rate of founded business startups by female entrepreneurs. In a study of female and male entrepreneurs from many countries, Langowitz and Minniti (2007) found that female entrepreneurs tend to view the entrepreneurial environment less favorable than male entrepreneurs. Langowitz and Minniti (2007) use a behavior economics approach to understand this perceptual difference concluding that subjective perceptions (i.e. economic environment, perceived barriers) play as large of a role in

entrepreneurial behavior as objective factors (i.e. income and education). Thus the perceptual differences between males and females may influence one's decision on how to start a business. In the following discussion, three theories commonly used to understand female entrepreneurship are explored to develop the hypotheses that female entrepreneurs may be less likely to found their new business ventures than male entrepreneurs.

### **FOUNDING PREFERENCES**

As stated earlier, Langowitz and Minniti (2007) found that the females in their study perceived themselves and the entrepreneurial environment less favorably than their male counterparts. Thus the females in their sample had less confidence in themselves and the environment in which they were starting their business. Verheul, Uhlaner, & Thurik (2005) found that confidence is an important factor in the creation of new businesses. Based on the extant literature on gender and organizational creation, Bird and Brush (2002) developed a rather dichotomous typology of the differences between male and female entrepreneurs. One aspect of this framework, with reference to new venture creation, describes male (or masculine) entrepreneurs as more controlling of personal and financial issues related to their venture.

Taken as a whole, the research just presented characterizes male entrepreneurs as more confident and controlling than female entrepreneurs. This confidence and need for control may predispose male entrepreneurs to be more likely to found their own business than purchase a pre-existing venture or take over their family's business. In founding one's

business, the entrepreneur should have more control over the entire business because they are creating the business from scratch themselves and are able to create it however they please (see Batchelor & Burch, 2011 for discussion). While founding one's own business, or creating something from nothing (Baker & Nelson, 2005), offers the possibility for greater control over one's venture it also takes much greater confidence than purchasing a business that is already up and running with established business processes that may only need to be maintained or tweaked. With relation to a family business, taking over such a venture does not usually happen overnight. Many times, this process takes years, if not decades, and control is handed over slowly. Thus, adequate planning is needed to ensure that the family business survives (Davis & Harveston, 1998). This process offers two aspects that may be perceived favorably by female entrepreneurs. First, slowly taking over an existing business in an established market is a much less daunting task than creating a venture from scratch, thus requiring less confidence in oneself and the business environment. Second, this family governance control system, where control is handed over slowly from one individual or individuals to another individual or individuals, fits well with Bird and Brush's (2002) description of the sharing and cultural control system preferred by female (feminine) entrepreneurs. In support of this idea Vera and Dean (2005) found, in a study of females who took over management of their family's business, that females experienced good personal and professional relationships with their fathers during the succession process. This can be viewed as an example of the sharing control system discussed by Bird and Brush (2002)

With regard to the three theories of gender presented herein, there is also reason to believe that male entrepreneurs will be more likely to found their venture. The Jungian perspective describes men as irrational conceivers (Jung 1928). To invest valuable resources into founding a new venture that will most likely fail in the first few years (Statistic Brain, 2014) is definitely an irrationally conceived idea. To add emphasis to the contrast between male and female entrepreneurs associated with accepting the likelihood of a new venture not surviving, Langowitz and Minniti (2007) found that fear of failure was negatively associated with the likelihood of females starting a business. Further, this perspective describes female entrepreneurs as connective and sentimental (Jung, 1976), this mentality is much more conducive to taking over a family venture or purchasing an existing venture where one either has sentimental attachment (family business) or will find connection to those already associated with a preexisting venture that is purchased. The moral development perspective characterizes females as “conformists” (Kohlberg & Kramer, 1969), which, again, fits well with obtaining a venture through purchase or taking over a family business because there is a preexisting set of rules or norms with which to conform. With founding a new venture, there are no such preexisting rules or norms so there is nothing to “conform” to. Finally, the feminist perspective may view founding a new venture as a “masculine” action centered on spotlighting one’s individual achievement and personal power. Thus founding may be viewed as contemporary or traditional entrepreneurship and once deconstructed the “feminine” would deviate from this perspective increasing the likelihood of

purchase of taking over a family business. Altogether, previous research and these three gender theories point to the likelihood that male and female entrepreneurs are likely to differ in how they obtain their ventures, with males more likely to found, leading to the following hypothesis:

*Hypothesis 2. Male entrepreneurs are more likely to have founded their businesses than female entrepreneurs.*

### **PERFORMANCE DIFFERENCES**

When looking at performance differences between male and female entrepreneurs it is first important to look at how the two groups may perceive performance differently. The feminist perspective may shed the most light on these differences. This perspective could easily argue that the traditional (masculine) perspective focuses on profit and/or growth. Thus a feminine perspective would differ from this. The Jungian perspective can be used to bring more clarity to what these differences may be. From this perspective, males (masculine) are characterized as goal oriented and discriminating, while females (feminine) are nurturing and accepting (Jung, 1928; 1971). The moral development theory echoes this sentiment by describing the feminine as more relational than the masculine. Thus, at the very heart of the discussion of “performance” male and female entrepreneurs may define “what is performance?” much differently.

Many studies show that males tend to focus more on profit, wealth, social recognition, power, and achievement (McClelland, 1961; Baumol, 1993; Stevenson, Roberts, & Grosbeck, 1994; Ronen, 1983; Hasse,

Lautenschlager, & Thomas, 2012). In their “gendered perspective” of entrepreneurship, Bird and Brush (2002) summarize much of the existing literature on this topic. In this they find male (traditional or masculine) entrepreneurs to be rational, goal oriented, competitive, aggressive, and most important to the discussion at hand, place high value on firm and individual success. Female (feminine or personal) entrepreneurs are described as emotional, cooperative, harmonizing, caring, preserving relationship, empathetic, and, with reference to performance, resistant to growth. Thus taken as a whole, this discussion leads to the conclusion that male (masculine) entrepreneurs are more likely to define performance in terms of profit or growth and female (feminine) entrepreneurs are more likely to define performance in more personal terms and focus more on caring and fairness. Hence, by defining performance along different dimensions it is likely that male and female entrepreneurs will focus on the performance goals set in their mind, leading to differential performance results based on resources being allocated to the dimensions one sees as most important (i.e. males to profits and growth; females to relationships and caring). With resources allocated in opposing ways, it is likely these two groups will see differences in performance. For instance females are shown to be more transformational than males (Eagly & Johannesen-Schmidt, 2001) and females tend to emphasize more relational policies (Holmquist & Sundin, 1990), this could be due to females placing more emphasis on relationships than males.

Regardless of individual preferences, male and female entrepreneurs seem to face a different set of challenges. Using a large

sample from the National Child Development Survey, Burke et al. (2002) found the desire to be one’s own boss to be positively related to performance (financial) for males but not for females. They attribute this finding to the greater non-work commitments of females as compared to males. These differences in non-work requirements will have a negative effect on the performance of female entrepreneurs regardless of their focus (financial or relational performance). There is evidence of greater work-family conflict for females than males especially with regard to overload and domestic responsibilities (Duxbury, Higgins, & Lee, 1994; Nomaguchi, 2012).

Female entrepreneurs may also face unique challenges when it comes to funding their businesses. In their introduction to a special issue on women’s entrepreneurship, de Bruin et al. (2006) note the research of others which shows that female entrepreneurs, as compared to their male counterparts, receive very little in the way of equity investment and suffer from what they term as a “mismatch” in sources of growth funding for their business (see the following for more details Greene, Brush, Hart, & Saporito, 2001; Brush, Carter, Gatewood, Greene, & Hart, 2003). Although these differences in funding resources may be explained by female entrepreneurs resistance to growth and focus on relational aspects of the entrepreneurial process (as described in Bird & Brush, 2002), the differences are still present and will effect performance when measured in financial terms.

In sum, these theories seem to indicate that female entrepreneurs tend to focus less on the financial aspects of performance than their male counterparts, and, possibly due to this lack of financial emphasis, suffer from greater

challenges when it comes to funding their ventures. This focus combined with females experiencing a higher rate of work-family conflict than males leads to the following hypothesis.

*Hypothesis 3. Based on financial measures, male entrepreneurs will see higher performance than female entrepreneurs.*

First it was outlined how, on average, females and males may be likely to obtain their ventures through different methods. Then research was highlighted showing that these two groups may differ in financial performance. But it is likely that this relationship may be more complex and that these three variables (founding status, gender, and performance) may interact together in a unique way.

This interaction may be influenced by factors such as the following. Founders have a higher need for achievement than their non-founder counterparts (Begley & Boyd, 1987), and females use different strategies to manage their businesses than males (Carter, Gartner, & Reynolds, 1996). For instance males tend to focus more on profit maximization and identifying a market need (Gatewood, Shaver, & Gartner, 1995; Bird & Brush, 2002) than do female entrepreneurs. These differences may influence both founding status and performance, such that the relationship between founding status and performance is different for females than males. This leads to the following hypothesis:

*Hypothesis 4. Gender moderates the relationship between how an entrepreneurial venture is obtained*

*(founded or non-founded) and performance.*

## METHODS

The data used in this study is from a dataset collected by the researcher on entrepreneurship to test multiple aspects of the entrepreneurship process and to be used for multiple studies. As entrepreneurs are a traditionally difficult set of individuals to sample and due to the great cost (time and money) of data collection on these individuals, much effort was put into designing a survey that could be used for multiple studies of the entrepreneurship environment. The interaction of gender, founding status, and performance was one of the studies this dataset was designed to test.

Surveys were distributed to 324 business owners (self-employed) in Virginia and North Carolina through a small business center, a loose association of trade and service entrepreneurs in North Carolina, and personal contact with entrepreneurs in Virginia. Of these 324 packets 114 useable responses were received and coded, for a response rate of 35.1 percent. Of the 114 organizations sampled, 27 percent were female owned and 25 percent were founded. Respondents ranged in age from 18 to 66 with a mean age of 48. Respondents represented multiple industries. The most common industries were services (57%), retail (22%), manufacturing (13%), and construction (5%). The education level of respondents ranged from high school to Ph.D. Most respondents (49%) held undergraduate degrees, followed by high school diplomas (32%), graduate degrees (10%), and finally Ph.D. (9%).

## MEASURES

**Founding Status.** Respondents were given four response options when asked about how their business was obtained. Their options were as follows: founded, purchased, inherited, or other. Those who checked the box for founded were coded as founded and those who chose any other option were coded as non-founded.

**Gender.** Respondent gender was identified by asking one dichotomous question, that is: "What is your sex?" Two options were given, Male and Female, and responses were coded accordingly.

**Performance.** As respondents were assured anonymity and no financial data was available, a subjective measure of performance was used in this study. These types of measures ask respondents to rate their performance over a period of time, the past three years in this study, on how well they performed relative to similar others in their region. The measure used in this study, Dess and Robinson (1984) asked respondents to make this performance rating on the three

dimensions of sales, assets, and overall performance. One question was asked for each dimension and the computed alpha reliability of the respondents in this study was .86.

**Firm Size.** In some analyses included in this study, firm size was used as a control variable. This number was obtained by asking respondents "How many employees did you employ at any given time, on average, over the past year?" Respondents were asked to fill in their response in a blank. That is, no ranges were used in this study; responses were given as tangible numbers allowing them to be coded as a continuous variable.

## RESULTS

Hypotheses 1 through 3 proposed that differences existed between groups of respondents based on either gender or founding status. These differences were tested using standard t-test to determine if the mean differences between these two groups were significant. In these tests, equal variance was assumed when the Levene's Test for equality of variances was greater than .05, otherwise equal variance was not assumed.

Table 1

*t*-test Results Comparing Founding and Non-Founding Based on Performance

Performance	n	Mean	SD	<i>t</i>	Mean Diff.	Sig.
Founded	86	6.35	1.00	2.04	.50	.04
Non-Founded	28	5.85	1.34			

Hypothesis 1 proposed that businesses founded by entrepreneurs will have higher performance than businesses obtained through other methods (non-founded). As shown in Table 1, the mean performance rating of founding entrepreneurs was 6.350 while the mean performance of non-founding

entrepreneurs was 5.851, this mean difference of .499 was significant at the  $p < .05$  level ( $p = .043$ ). These results fully support hypothesis one indicating that the founding entrepreneurs in this sample experienced higher performance than the non-founding entrepreneurs.

Hypothesis 2 proposed that male entrepreneurs are more likely to have founded their businesses than their female counterparts. As shown in Table 2, males did have a higher mean on founding (.795) as compared to that of the mean of the female entrepreneurs

(.645), but this difference failed to reach significance ( $p=.133$ ). Thus hypothesis two was not supported, meaning that there was no significant difference in the founding rate in this sample based on gender.

Table 2  
*t*-test Results Comparing Males and Females on Founding

Founding	n	Mean	SD	<i>t</i>	Mean Diff.	Sig.
Female	31	.65	.49	1.53	.15	.13
Male	83	.80	.41			

Hypothesis 3 proposed that male entrepreneurs will score higher of financial performance than female entrepreneurs. Table 3 shows the male mean performance rating to be 6.279 and the female mean to be 6.089. Although males, on average, scored higher on performance, this difference failed to reach significance ( $p=.515$ ). These results fail to provide support for Hypothesis three and indicate that there is no significant difference, in this sample, between the performance of male and female entrepreneurs. It is important to note that differences in how the genders self-report performance may have influenced these results. Implications for this are discussed in the limitation section. Hypothesis 4 proposed that gender moderates the relationship between founding status and performance. Moderated multiple regression was used to test this hypothesis in accordance with the steps outlined by Frazier, Tix, and Barron (2004). Because this analysis used dichotomous variables for both the independent (founding status) and moderator (gender), variables special dummy coding designed by Kenny (2013) was used in this

analysis. This coding consisted of the following steps. First, a two by two matrix was created using zeros and ones to code each possibility of gender and founding status. Then these four quadrants were coded as (-1, -1), (-1, 1), (1, -1), and (1,1) for the independent and dependent variables respectively. For example, a male founder would be in quadrant one with basic dummy coding of 1 for founding and 0 for male. Then this quadrant would receive coding of -1 for the independent variable and -1 for moderator. Female founders, quadrant two, received coding of -1 for the independent variable and 1 for the moderator, then the other two quadrants were assigned in the same fashion. These four possibilities were then entered into SPSS and analysis was run in accordance with Baron and Kenny's (1986) moderated multiple regression procedures. This analysis was run twice, one without any controls and a second time after controlling for firm size, to see if this, often included, control variable affected the results.

Table 3  
*t*-test Results Comparing Males and Females on Financial Performance

Performance	n	Mean	SD	<i>t</i>	Mean Diff.	Sig.
Female	30	6.09	1.48	.66	.19	.52
Male	80	6.28	.95			

The results of moderation analysis with and without controlling for firm size are presented in Table 4. Hypothesis 4 proposed that entrepreneur gender moderates the relationship between founding status and performance. In the initial running of the data without controlling for firm size, no evidence of moderation was found. That is, the coefficient of the interaction term was not significant, thus failing to support Hypothesis 4. Because relevant theory, presented earlier in

this article, indicated that female entrepreneurs are less likely to focus on growth than male entrepreneurs, the analysis was run again while controlling for firm size. As in the first analysis, the interaction term failed to reach significance, again failing to support Hypothesis 4. These results, as those of Hypothesis 3, may be influenced by gender differences in self-report propensity. This is discussed in greater detail in the limitations section.

Table 4  
 Moderated Regression Analysis for Firm Performance

	Firm Performance	
	Without Controls	Controlling for Firm Size
	$\Delta R^2$	$\Delta R^2$
Step 1: Main effects		
Independent variable dummy	-.24 (.12)	-.35 (.12)
Moderator variable dummy	-.06 (.12)	.02 (.12)
Step 2: Interaction		
Interaction dummy	-.24 (.13)	-.17 (.12)
Total R	.26	.41
Total R <sup>2</sup>	.07	.17
Adjusted R <sup>2</sup>	.04	.13

Note: Standardized regression coefficients are included; numbers in parentheses are se components.

\*= $p < .05$ , \*\*= $p < .01$ , \*\*\*= $p < .001$ .

## DISCUSSION

Two main conclusions may be drawn from the findings presented herein. First, firms founded by an entrepreneur are shown to result in higher performance than non-founded firms.

This finding supports the idea that those who found their ventures are more aligned with the mindset of the profit/growth seeking entrepreneur. That is, they may focus more on pursuing profit and growth and have a higher need for achievement than non-founding

entrepreneurs (Stewart et al., 1998; Begley & Boyd, 1987). Further, non-founders may align better with the conceptualization of small business owners who look at their business as an extension of their personalities. These non-founders may focus more on the reputation of the business than growing and making the business more profitable. Thus, this type of small business owner mindset may be what separates non-founders from entrepreneur minded founders who are focused on profit and growth maximization.

The second major conclusion of this study is the lack of support for the hypotheses relating to differences between the genders on founding or financial performance. This finding runs completely contrary to the Jungian, moral perspective, and feminist theory. With relationship to business founding, the Jungian approach views females as more sentimental and focusing on personal connections than males. This suggests that females may be more likely to take over a family business, purchase an existing business, or some other non-founding option because founding a business is creating something from nothing. It would therefore be difficult to be sentimental or have a personal connection to something that does not exist. This same mentality is mirrored by the moral perspective which views females as more “conformist” than males. That is, if one inherits or purchases a venture there is a preexisting set of rules to which one can conform, no such set or rules exist when founding a new venture, thus females would be expected to favor non-founding as compared to founding options for obtaining a business. And finally, the feminist perspective focuses on deconstructing a feminine perspective that deviates from that of the

traditional or male perspective. In contemporary society, the entrepreneur is someone such as Sir Richard Branson who starts his own businesses and grows them into highly profitable firms. Thus the “feminine” version would deviate from this and should favor non-founding alternatives. Although these three theories are well developed streams of literature, they each failed to point in the correct direction with regard to the differences related to gender and founding status presented herein.

With respect to firm performance, the three theories could easily be interpreted in the following ways. The Jungian and moral perspective leads one to believe that female entrepreneurs would tend to focus more on the relationships of the individuals involved with the business venture than growth or profit and males would be more oriented toward growth and profit resulting in higher firm performance, on average, for males. The feminist perspective applied earlier to the argument for gender difference in founding status would apply in the same way to firm financial performance. Again the traditional (male) entrepreneur would be an individual, such as Donald Trump, who focuses primarily of performance such as growth and profitability and therefore a feminist perspective would differ from this in significant ways. This mentality is echoed in the “gendered perspective” of entrepreneurship outlined by Bird and Brush (2002) where female entrepreneurs are characterized as focusing more on harmonizing and preserving relationships than the aggressive pursuit of goals, which are characteristics of males. Thus again, these theories pointed to a significant difference in performance between entrepreneurs based on gender, which was not supported by the data

herein. Finally, gender was not found to moderate the relationship between founding status and performance. Again, for all the reasons outlined earlier, theory pointed to the strong likelihood of finding support for this hypothesis but that was not the case.

After first analyzing the data in this study and discovering that only one of four hypotheses was supported and none of the hypotheses related to gender were supported, I was surprised. Interpretation based on theory seemed to clearly point to strong gender differences in many aspects of entrepreneurship, especially those related to founding preference and performance. After all, many studies show that males tend to focus more on power, wealth, and profit (McClelland, 1961; Baumol, 1993; Stevenson et al., 1994; Smith, 1967; Ronen, 1983) and females tend to view the entrepreneurial environment less favorable than males (Langowitz & Minniti, 2007) and fear of failure is negatively associated with likelihood of starting a business for females (Langowitz & Minniti, 2007). I originally thought the paragraph at this stage in the article would begin with, "The relationship between gender, founding status, and performance is more complicated than simple correlational or mean differences," then I would follow with an long discussion of how this was a moderated relationship. But the results did not support such an argument.

Yet, these results are just as important to the body of research on gender and entrepreneurship as results in the opposite direction. There is growing support to the notion that null results, such as these, need to be published and the lack of such reporting, or publication bias, is damaging the progress of

knowledge (Landis, Lance, Pierce, & Rogelberg, 2014; Landis, Rogelberg, 2013). In their *Journal of Management* article on questionable research practices, O'Boyle, Banks, and Gonzalea-Mule (in press) point out the prevalence of post hoc hypothesizing and practices such as dropping non-significant hypotheses, collecting additional data to turn non-significant findings significant, adding statistically significant hypotheses resulting in an unrepresentative body of literature because enough studies are not published show unsupported hypotheses. That is, the literature is lacking studies that alert researchers when relationships are not present. This is particularly damaging to the field of meta-analysis because non-significant results are needed to determine the true population effect when summarizing effect sizes for a body of literature.

So, how are these non-significant results important and what implications may they have? First, the three major theories used to understand female entrepreneurship and to predict the direction of the hypotheses in this article may not apply the same way in modern times as they did in the past, hence the times may be changing. The groundwork for much of the moral perspective was laid out decades ago and much of the Jungian work is from the early part of the twentieth century. While these perspectives can still be applied to modern situations, maybe the way they should be applied has changed. Further, the feminist perspective focuses of providing a female voice to traditional male dominated aspects of society where the female voice is not represented. If this study was conducted twenty years ago, possibly, there would be significant differences between founding

habits and financial outcomes of the genders, but this was not the case in this sample.

So what has changed? First, more females are obtaining business educations. For instance, females represent over forty percent of the applicant pool of most graduate management programs and increases in applications by females to these programs is outpacing that of males (GMAC, 2013). Further, top schools such as the Harvard Business School and the University of Pennsylvania Wharton School have females represent 39 and 45 percent of their MBA population respectively (Blackman, 2011). Thus, the representation of females has increased dramatically over the past decades.

Second, female entrepreneurs are receiving more venture capital than before. A recently released study by the Diana Report from Babson College found that the amount of early investment in companies with females on the executive team has tripled from 1999 to 2014 and found that businesses that included female entrepreneurs on the executive team performed just as well, if not better, than those only including men (Brush, Greene, Balachandra, & Davis, 2014). So here again, female are more represented in entrepreneurship and are receiving more venture funding than before. This is relevant because funding and networking are often cited reason for gender differences in entrepreneurial outcomes. Some even view a female gender identity as an asset in entrepreneurship (Kinyanjui, 2008).

Finally, in a study that looked at the lives of female entrepreneurs over a two-month period, Itani, Sidani, and Baalbaki (2011) found that the female entrepreneurs, in their study, did not experience conflict between

their entrepreneurial and personal lives. Sonfield and Lussier (2004) found business with predominant female ownership to have few differences, related to management activities, when compared other businesses. Further, in a study of 26 owners and managers of small businesses, Welsh and Brich (1997) found no difference in use (and abuse) of power between the genders. These findings point toward a change in how relational conflicts are experienced by female entrepreneurs.

Taken as a whole, the preceding discussion highlights how the entire landscape has changed with regards to female entrepreneurs. Females are very well represented in business schools, venture capital funding, their performance is increasing, and relational conflicts may be easing. With this in mind, maybe the direction of the hypotheses in this study may be reinterpreted as follows. The Jungian perspective would say that the male, female, “anima” and “animus” are interwoven so it is possible that male and female entrepreneurs could see similar outcomes. To illustrate the point, look at the yin-yang symbol and see how there is a black dot in the white portion and a white dot in the black portion. The feminist perspective could say the female voice is now a more pronounced part of contemporary society; hence the new “traditional” perspective is more heavily influenced by the female voice. Thus what an entrepreneur is in the modern world, more than ever, includes aspects of the male and female perspective and significant differences may no longer exist (or be less pronounced) between the two groups on founding and financial performance. And finally, the study by Itani et al. (2011) finding that female entrepreneurs did not experience conflict

between the responsibilities of their entrepreneurial and personal lives could mean that the moral perspective, which focuses on respect for individuals and responding to needs, could indicate that since female entrepreneurs are now more free to focus on relationships in and outside their entrepreneurial lives simultaneously without conflict, differences may not be as pronounced as in the past.

### LIMITATIONS AND CONCLUSIONS

This study suffers from the limitations of only looking at one point in time. Further this is only one study, so others should be cautious when interpreting the results herein. As Schmidt (1992) states, individual studies should only be looked at as a data point and viewed in the larger context when combined into meta-analysis. That is, sampling error can cause effect sizes to differ from study to study producing conflicting results where only meta-analysis can resolve these discrepancies. Further, this study suffers from the limitation of a sample drawn from states from the central eastern United States. For this reason, these findings may not generalize well to other regions.

In this study gender differences in education and industry were analyzed and no significant differences were found relating to these two variables. This may be a function of the limited sample size (114) of this study. It is possible that a larger sample size may find significant differences between the genders on education and industry.

It is also possible that male and female entrepreneurs self-report performance differently. Some research in differential

psychology points to females self-reporting lower performance, in some areas, when compared to the self-reports of males (see Weiss, Kemmler, Deisenhammer, Fleischhacker, & Delazer, 2003). Conversely, some research in the management field points to females having elevated self-ratings of performance (see Tsui & Gutek, 1984). Thus the water is murky with regard to self-report performance inflation with regard to gender with no clear direction on how to control for such gender difference. Since this study relied on self-report performance ratings, variance in gender differences with regard to self-reporters of performance is not accounted for herein. This brings attention to the need for future studies that look specifically into the self-report differences between male and female entrepreneurs. Additionally, future studies should investigate the relationship presented herein to see if these relationship hold up in different contexts and across time.

In conclusion, theory pointed to very distinct differences between male and female entrepreneurs. The hypotheses presented herein proposed significant differences between the venture creation preferences and financial performance of entrepreneurs along gender lines. Although significant differences were supported for founding and non-founding entrepreneurs, the differences based on gender were not supported.

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