

Female Entrepreneurship: Theoretical Approaches



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ABSTRACT

Due to different approaches to female entrepreneurship, the author suggested that this field of research is considered to be very broad. Some of the theories outlined in this article can be linked to the study of this phenomenon, such as gender theories, managerial theories, public policy, etc. In line with this, the author proposed that all of these approaches should be as integrated as possible in order to provide a complete understanding of female entrepreneurship.

KEY WORDS: *female entrepreneurship, gender, theories*

Introduction

In recent years, a record number of women have been breaking out of corporate life and embracing entrepreneurial careers as an alternative to inflexible work practices and outdated systems. Despite, the lack of knowledge on female entrepreneurs is especially apparent. Namely, many scientists are still focused on research dedicated to men as entrepreneurs. The reason for this can be found in the fact that there are fewer women

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entrepreneurs compared to male entrepreneurs and that women do not progress in their careers at an equal rate to men. Women who successfully join the modern social flows in the new way, were not fairly rewarded for their work, most times being paid less for their work than their male counterparts at the same job level (Radović Marković, 2009). The disparity between females and males regarding their entrepreneurial career interests and attitudes has provoked loads of study on the effect of gender on entrepreneurship (Choitung, L., et al., 2012).

Drawing on insights from various entrepreneurship theories – our scientific review seeks to provide broad theoretical bases for further research in the field of female entrepreneurship.

Different Approaches to Female Entrepreneurship

Entrepreneurship is an emerging research area among academics because it is acknowledged that fostering entrepreneurial activity is associated with greater economic growth (Weeks & Seiler, 2001). Specifically, the interest to understand women's entrepreneurial activity is due to the importance they are gaining in the entrepreneurial sector as well as evidence that women encounter difficulties in starting and operating a business that are different from those faced by men (Neider, 1987).

Female entrepreneurship long went virtually ignored in the academic literature, however. Even into the late 1980s and early 1990s, the literature reported studies of exclusively male entrepreneurs; did not distinguish study participants by gender; studied only small samples of professional women; or had other limitations that affected its utility for understanding women in entrepreneurship (Loza, 2011).

Although women still face “glass ceiling” and somehow fail to achieve maximum potential, there are evidences to suggest that most countries have now realized the potential contributions women make to the nations' economic growth. Female entrepreneurship has brought in a new revolution as we witness women emerging as business owners in economic sectors they have not previously occupied (Radovic-Markovic, 2009). Barriers to gender entrepreneurship can have an adverse impact on a country's competitiveness, productivity, and growth potentials (Bardasi et al., 2007).

There are lot of studies examining the determinants of entrepreneurial activities, new firm formations in US (Almus and Nerlinger 1999; Bartik

1989; Reynolds et al., 1995) and in many countries in the European Union (Luk, 1996), such as Denmark (Illeris, 1986), France (Guesnier, 1994), West Germany (Audretsch and Fritsch, 1994; Egelin et al., 1997), Greece (Droucopoulos and Thomadakis, 1993), Italy (Santarelli and Piergiovanni, 1995), Sweden (Davidsson et al. 1994; Davidsson and Henrekson, 2002), and the UK (Keeble and Walker, 1994). These and other studies have provided valuable insights about entrepreneurship and the entrepreneurial process. Most of them however were based on the experience of small firm operating in a single and mostly developed country in North America and Europe. In other words, the most of them are focused on the number, size and types of women-owned businesses that have been undergoing dramatic changes. For example, in the USA, between 1987 and 1997, the number of women – owned businesses rose by 89 % (Radović Marković, 2009).

On a global level, women represent more than one third of all people involved in entrepreneurial activity (Minniti et al., 2005). Hence, women have played a significant role in the worldwide expansion of entrepreneurship (Jalbert 2000; Minniti et al., 2005). However, studies over the past decade show a persistent gap between men and women in the level of entrepreneurial activity (Minniti, et al. 2005), in entrepreneurial orientation and propensity (Mueller 2004; Langowitz and Minniti 2007), and in the motivation, desire, and intention to become an entrepreneur (Minniti and Nardone 2007).

Some authors and practitioners have generally assumed that entrepreneurship was the same all over the world. Such notion has changed in recent years when studies started to reveal that entrepreneurship practiced in developing countries was distinctive from that in developed countries (Cetindamar 2005). This was especially true for gender entrepreneurship where authors have noted that economic and social contexts play strong roles in determining the entrepreneurial inclinations and success of women (Minniti et al., 2005).

The initial research on women entrepreneurs was focused on understanding their background and the organizational characteristics of their enterprises (Avolio and Radovic-Markovic, 2013).

Education has also been noted as one means to infuse women more concretely into the entrepreneurial experience (e.g., Peterman & Kennedy, 2003, Wilson, Kickul, & Marlino, 2007). Educational attainment, a recent study found that education plays different roles in countries at different stages of economic development (Van der Sluis et al., 2005). For example,

in a developed country like Israel, the level of education was found to be one of the significant variables affecting the performance of female enterprises (Lerner, et al., 1997). Considering the importance of education for women as entrepreneurs, it has recently become evident that the new Age is looking for new forms of education, such as creative education. Creative education and training should help women to raise their creativity, logical thinking and entrepreneurial activity (Radović-Marković, 2012). Namely, entrepreneurship emerges from an individual's creative spirit into long-term business ownership, job creation, and economic security. Women bring commitment and integrity because they care about economic empowerment, entrepreneurial development and innovation (Jalbert, 2000).

The special understanding of innovation within that framework, and the role that women play in creating and commercializing that innovation is necessary. In addition, women's historically lesser degree of participation in the human capital-generating activity now or increasingly essential to innovation entrepreneurship, that being education in science, technology, mathematics, and engineering, likely obscures the need to study female entrepreneurship in this context. Whatever the causes, the study and, ultimately, the improved engagement and success of women in innovation industries, including through entrepreneurship, are urgent needs in both domestic and international economic, legal, societal, and development contexts (Loza, 2011).

Factors that influence the creation of new businesses are different between entrepreneurially-oriented women and men. In particular, this difference is obvious in terms of family and society support, financing sources and problems they are facing (Radović-Marković, 2006). Several studies explain that female owner-managers have more trouble getting access to capital (Radović-Marković, 2006, Brush, 1992; Collette and Aubry, 1990), probably because of lack of confidence shown by banks, suppliers and clients.

In literature we can also note that women entrepreneurs see their businesses more realistically and they make attempts to develop them in family environments, while men gravitate more towards developing a business hierarchy with defined rules and working business procedures.

Although women, like men, in starting their own business are led by a desire to achieve business success, they are still show different motivation for getting into the business world. According to new approaches (Avolio and Radovic-Markovic, 2013), the factors regarding the decision of the

women to become entrepreneurs can be grouped into two categories: circumstances and motives, to differentiate those factors of extrinsic origin from those of intrinsic origin to the women entrepreneurs. Previous literature has frequently explained women entrepreneurs' motives for starting their enterprises through push and pull factors (Buttner & Moore, 1997) and the family environment (Orhan & Scott, 2001).

There is rarely a sole circumstance or an only motive influencing a woman's decision to choose the entrepreneurial activity; entrepreneurship results from a combination of several circumstances or motives, that is, the factors cannot be considered as mutually exclusive and the same person can be influenced by many circumstances and many motives at the same time (Avolio and Radovic-Markovic, 2013).

There are also some other important differences which distinguish women from men in this profession. The following are the most dominant (Radović Marković, 2009):

1. Women start businesses in order to accomplish flexibility, independence and to free themselves from corporative boundaries. Besides that, many women look for personal satisfaction through running a business independently and to create space for advancing in a career. Also, one of the basic motivational factors which move women in starting their own business is in the creation of a safe future and the possibility of a choice of life style and work style.
2. Women are often motivated to start their own business because of the dissatisfaction with their status in their jobs and because they feel that they advance much slower in their career than men and also that they can never achieve the position which belongs to them by their expert and other qualities.
3. More than half of women owners (53%) are guided by intuition when they start and run a business, while men (71%) are guided only by logic.
4. Two thirds of women (60%) compared to male business owners, examine all possibilities before they make a decision and start some action. They also tend to gather information from their consultants and entrepreneurial associations more than men do. They tend to successfully weigh up every possibility and to balance different tasks and priorities.

A number of theories are based on a feminist analysis, which entails the recognition and analysis of women's structural subordination to men (Calas and Smircich, 1996). In recent years, marketing and financial approaches have also been added.

Conclusion

In the present paper, we elaborated some main issues in the literature of female entrepreneurship. Future studies should follow the changes in the roles and tasks of women as entrepreneurs as the main conductors of these activities, influenced by new flows of economic operation in the age of globalization (Radović-Marković, 2009). Namely, the recognition of the capacity of women entrepreneurs in our global community is no longer a matter of debate, but is a realisation that female entrepreneurship is now forming one of the major factors contributing to the development of many countries. The defining feature of entrepreneurship in today's global economy is the focus on change in women's lives, particularly for political and economic empowerment that translates into access to financial resources, increased opportunity for education and training, power to affect decisions in their communities, and autonomy in personal life choices (Radović-Marković, 2009).

We also share opinion with some authors who pointed out that in future research is needed to analyze gender differences in entrepreneurial intentions using more appropriate methodologies, including entrepreneurial samples and experimental designs based on simulations and laboratory experiments (Sanchez, J., et al., 2012).

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Žensko preduzetništvo: teorijski pristupi

APSTRAKT

Zbog različitih pristupa ženskom preduzetništvu, autor sugeriše da je ovo područje istraživanja veoma široko postavljeno. Neke od teorija navedenih u ovom članku mogu biti povezane sa proučavanjem ovog fenomena sa različitih aspekata, kao što su rodne teorije, teorije menadžmenta, državne politike, itd. U skladu s tim, autor predlaže da svi od pomenutih pristupa treba da budu što je moguće više integrisani, kako bi se osiguralo potpuno razumevanje kompleksne problematike ženskog preduzetništva.

KLJUČNE REČI: *žensko preduzetništvo, rodnost, teorije*

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