



Comparative study of motivational factors affecting Male and Female Entrepreneurs

KEYWORDS

Entrepreneur, entrepreneurship, Motivation

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ABSTRACT

A nation's ability to generate a steady stream of business opportunities can only come about when its people take to entrepreneurial activities. Entrepreneurs are essentially the engines of growth for a nation. There are several factors that go into making a successful entrepreneur, and he or she need not necessarily possess a strong business and financial background. Significant growth in the number of women employed outside has created a new field of research: Are female entrepreneurs different from their male counterparts? It is clear that male and female entrepreneurs have few things in common. Although some of the background and personality characters are quite similar between the sexes, there are striking differences between them in terms of motivation.

Entrepreneurship is an important facet of industrial growth and development of a nation. It is the backbone of a nation that sets its eyes on maximizing its performance in every field. The spirit of entrepreneurship brings about enthusiasm, persistence and the ability to seek entrepreneurial opportunities that lead to success.

A nation's ability to generate a steady stream of business opportunities can only come about when its people take to entrepreneurial activities. Entrepreneurs are essentially the engines of growth for a nation. There are several factors that go into making a successful entrepreneur, and he or she need not necessarily possess a strong business and financial background. On the contrary, well-conceived and well-directed training can always produce an outstanding entrepreneur.

In addition, today's world with its burgeoning population offers limited avenues of employment. This makes entrepreneurship all the more necessary for self-employment and small business. What does motivates a person to become an entrepreneur? Is there any difference between male and female entrepreneurs? Is there any rise of the female entrepreneurs? This particular article may through light on some of these questions.

Concept of entrepreneurship

In conceptualizing entrepreneurship, there is a need to differentiate between concepts;

1. Entrepreneur = individual actor in the market
2. Entrepreneurial mind = behaviour in the market
3. Entrepreneurship = combines the actor and behaviour in the market
4. Entrepreneurial process = combines time dimension and behaviour in the market

1 Entrepreneur:

The word entrepreneur is derived from the French word 'ENTREPRENDRE' that means to 'undertake'. It appeared in the French language long before the emergence of the concept of 'entrepreneurial function'.¹ In the early 16th century a leader of a military expedition was termed as entrepreneur. In the 17th century, it was extended to cover civil engineering activities such as construction and fortification. Around 1700 A.D., the term was used for the architects and contractors of public works.² Quesnay recognized a rich farmer as an entrepreneur who manages and makes his business profitable by his intelligence and wealth.³ And the literal translation of the word entrepreneur means "between-taker or go-between".

In the middle ages, the term entrepreneur was used to de-

scribe both an actor and a person who managed large production projects. In such large production projects, this individual did not take any risks, but merely, managed the project using the resources provided, usually by the government of the country

During the 17th century, Richard Cantillon developed early theories of entrepreneur and is regarded by some as the founder of the term. He viewed the entrepreneur as a risk taker, observing the merchants, farmers, craftsmen and other sole proprietors "buy at a certain price and sell at an uncertain price, therefore operating at a risk."⁴

Finally, in the 18th century, the entrepreneur was distinguished from the capital provider. One reason for this differentiation was industrialization. In the late 19th and early 20th centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from economic perspective. In the middle of the 20th century, the notion of an entrepreneur as an innovator was established. The function of the entrepreneur is to reform or revolutionize the pattern of production by exploiting an invention or more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, opening a new source of supply of materials or a new outlet for products, by reorganizing a new industry.⁵

Gartner⁶ considers the search for definition in trait approaches to be unfruitful and he has reasons for not accepting the statement that 'the entrepreneur is one who creates an organization.' First, people who are not entrepreneurs (political parties, associations and social groups) create organizations all the time. Second, when evaluating the ability to act as an entrepreneur, no signs suggest that creation of organization would be any kind of differentiating criteria. Traits and characteristics may be those intermediating variables that explain and predict entrepreneurial activity and behaviour. Several contributors in entrepreneurship literature have tested the existence of personality traits concluding that the traits are common also to several other groups of people⁷ (Law and MacMillan) for example, Amit et. Al.⁸ report problems of these studies and suggest that observed traits could be the result of learning through experience. They conclude that the interpretation of the outcome is difficult since these psychological traits do not distinguish the entrepreneur from the manager.

Gartner⁹ argues that the trait approach seeks to answer the wrong question: "who is an entrepreneur?" he criticizes Carland et. al.'s¹⁰ definition of entrepreneur: "An entrepreneur is an individual who establishes and manages a business for

the principal purposes of profit and growth". However, a closer look reveals that the question could actually be stated as: "why does an entrepreneur start a venture?" - which was started as a failure of trait theoretic approaches in Gartner. Since the principal purpose of a venture is to add value through profit and growth, it has to be innovative to gain the so-called abnormal profit or economic rent that may simultaneously be a necessary condition for growth¹¹. Thus the answer to the why question is clear-cut: an entrepreneur expects economic rents to be available in the future.¹² Herbert and Link¹³ conclude that an entrepreneur is a person, not a team, committee or organization.

2 Entrepreneurial Mind

Timmons¹⁴ describes 'entrepreneurial mind', which means the attitudes and behaviour of successful entrepreneurs, almost similarly as Murray¹⁵: "they work hard and are driven by an intense commitment and determined perseverance; they see the cup half full, rather than half empty; they strive for integrity; they burn with a competitive desire to excel and win; they are dissatisfied with the status quo and seek opportunities to improve almost any situation they encounter; they use failure as a tool for learning and eschew perfection in favour of effectiveness; and they believe they can personally make an enormous difference in the final outcome of their ventures and their life."

3 Entrepreneurship

According to Ronstadt¹⁶: "Entrepreneurship is the dynamic process of creating incremental wealth. Individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service create the wealth. While Ronstadt's definition above includes such other trait theoretic characteristics of entrepreneurship as risk taking propensity and responsibility, a more complete view of these could be achieved by including the need, for achievement as defined by Murray 'a entrepreneur is a person, who has an entrepreneurial mind with a strong need for achievement.' It could be argued that Bygrave¹⁷ supports the simple definition that "entrepreneurship is creating of organizations" by describing entrepreneurship as a dynamic rather than a static system, hence a process of becoming, rather than a state of being, which includes non linear and unstable discontinuities. However, he argues also that this process is a holistic one that cannot be analysed partially by studying different pieces of the entity.

4 Entrepreneurial Process

Bygrave¹⁸ and Bygrave and Hofer¹⁹ define entrepreneurial process to involve "all the functions, activities and actions associated with the perceiving of opportunities and the creation of organizations to pursue them." This process possesses the following characteristics. It is a holistic, dynamic process initiated by an act of human volition and occurs at the level of the individual firm, and its outcomes are extremely sensitive to the initial conditions of these variables.

Bygrave²⁰ and Bygrave & Hofer²¹ emphasize the process character of entrepreneurship as well as discontinuity of the process. They define the characteristics of an entrepreneurial event almost similarly as entrepreneurial process but include also "creation of a new organization to pursue an opportunity" and an entrepreneur as "an individual who perceives the opportunity and creates an organization to pursue it.

Literature review

The major work on entrepreneurship came from Schumpeter (1934)²² according to him entrepreneur is an innovator. Harbison (1956)²³ has enumerated the functions of women entrepreneur. They are

1. Exploring of the prospects of starting a new business.
2. Undertaking of risks and the handling of economic uncertainties involved in business.
3. Introduction of innovations or imitation of innovations.

4. Co ordination, administration and control

5. Supervision and leadership.

Vijaya (1987)²⁴ in her study of entrepreneurs observed that nearly 40 per cent of the entrepreneurs were attracted by incentives, subsidies and other facilities offered by the government.

Hisrich (1990)²⁵ studied the characteristics of entrepreneurs and their business and suggested changes to support new venture creation such as education, business infrastructure and government policy initiatives.

Paton Nic (2007)²⁶ opined in low and middle income countries women generally become early stage entrepreneurs between the ages of 25 – 44 and established by 35 – 54 years old. Kepler (2007)²⁷ opined gender does not affect new venture performance. Will Hutton, (2010)²⁸ opined "It is good to see the gap between male and female entrepreneurship is narrowing."

According to Patricia Hewitt, (2011)²⁹ "There are still too few women starting out and growing a business. We need to eliminate the barriers that remain, be it access to finance or to childcare or because of some other form of discrimination."

According to Canada's Labour Force Survey reports (2012)³⁰, between 2001 and 2011, the number of self employed women grew by 23 % compared with 14% growth in male self employment.

According to world bank report (2012)³¹, Female entrepreneurs are more necessity entrepreneurs and less opportunity entrepreneurs.

"DNA of an entrepreneur" study, (2012)³² which surveys SMEs in the UK, USA, France, Germany, Spain and the Netherlands, asked respondents to assess the impact of the economic crisis on their personal lives. The most commonly cited effects were increased stress and problems with sleep, and in both cases more women had been hit than men. Among female respondents, 46% reported increased stress compared to 40% for men: 35% of women cited sleep problems compared to 27% for men. Nearly a quarter of all women (23%) reported more health problems generally compared to 18% for men. So the study suggests some intriguing differences between male and female entrepreneurs and their skill sets and their mentality in coping with economic crisis. But they are as one in their resilience and their belief in their businesses. "Women are very well suited to a crisis situation, because by nature they lead several lives." This was the view of Dominique Reiniche, European President of Coca Cola, speaking at the recent Deauville Women's Forum, which explored the impact of the economic downturn on women in business, and their prospects for 2013.

Elaine Pofeldt, (2013)³³ opined Women set the bar lower for growing their businesses. Men are 30% more likely to growing their businesses. That may be because of constraints like lack of access to capital or family responsibility.

Objectives of the study

1. To compare the motivating factors which force male and female entrepreneurs to start their own ventures.

Methodology

The present study is an empirical study. It is based on both primary and secondary data. Primary data is collected from small scale entrepreneurs through questionnaire method. 135 entrepreneurs are interviewed among them 45 are females.

Secondary data like past research studies, books, journals, magazines and Internet is used to get vital information about the concerned literature required to support this study.

Comparison of various motivational factors

Many factors influenced the entrepreneurs to start their own ventures. Only eight factors are considered. The opinion of the respondents regarding the reasons for starting own venture was collected on preferential basis to identify the factors that influenced the person to become an entrepreneur. They were supposed to give the preferences in the order of merit by using one to eight. The preference have been given weights in such a way that first preference carries the highest weight of eight and the last preference carrying the least weight of one.

Table No. 1 Comparison of various motivational factors (Males)

Sl. No	Weights Preference	8	7	6	5	4	3	2	1	Total weights	Rank
1	Problem of unemployment	30	21	15	8	5	2	0	0	543	II
2	Work experience	11	19	7	3	3	0	1	0	292	V
3	Government assistance	7	32	30	15	4	0	1	0	553	I
4	Education	4	1	1	2	0	1	0	1	59	VII
5	To lead an independent life	0	6	17	16	12	10	2	1	307	IV
6	Entrepreneurial training	2	1	2	0	3	0	3	0	53	VIII
7	Childhood Family environment	35	4	3	3	1	1	0	0	348	III
8	To achieve some thing in life	1	1	3	6	4	1	1	0	82	VI

Source: survey data

It can be observed from the Table No. 1 that, the total weights secured by the factor of

Government assistance and incentives is 553 and emerged as a strongest reason by occupying I place among the various factors for starting own unit. The problem of unemployment secured 543 weights and occupied II place. The weight secured by childhood family environment is 348 and to lead an independent life is 307. They are occupied III and IV places respectively. The factors like previous work experience in the field and to achieve some thing in life occupied V and VI places by securing 292 and 82 weights respectively. The weight secured by the factors education is 59, entrepreneurial training is 53, they have occupied VII, and VIII places respectively.

Table No.2 Comparison of various motivational factors (Females)

Sl. No	Weights Preference	8	7	6	5	4	3	2	1	Total weights	Rank
1	Problem of unemployment	8	14	3	1	1	0	0	2	191	II
2	Work experience	0	0	2	3	2	0	1	0	37	VI
3	Government assistance	8	9	5	3	2	0	0	1	181	III
4	Education	1	2	0	0	1	1	0	2	31	VII
5	To lead an independent life	3	3	8	7	5	2	1	1	157	IV

Sl. No	Weights Preference	8	7	6	5	4	3	2	1	Total weights	Rank
6	Entrepreneurial training	4	9	3	2	1	1	0	0	130	V
7	Family environment	16	10	2	0	1	0	0	0	214	I
8	To achieve some thing in life	1	1	0	0	1	0	1	5	26	VIII

Source: survey data

It can be observed from the Table No.2 that in case of females, the total weights secured by the factor of childhood family environment is 214 and emerged as a strongest reason by occupying the I place among the various factors for starting own ventures. The problem of unemployment secured 191 weights and occupied the II place. The weights secured by government assistance is 181 and leading an independent life is 157. they occupied III and IV place respectively. Factors like entrepreneurial training and work experience occupied V and VI places respectively. The factors education and achieving something in life have occupied the VII and VIII places respectively.

Table No.3 Comparison of motivational factors affecting male and female entrepreneurs

Sl. No.	Preference	Ranks	
		Males	Females
1	Problem of unemployment	II	II
2	Work experience	V	VI
3	Government assistance	I	III
4	Education	VII	VII
5	To lead an independent life	IV	IV
6	Entrepreneurial training	VIII	V
7	Childhood family environment	III	I
8	To achieve some thing in life	VI	VIII

Source: survey data

Analysis of Table No.3 reveals that, in case of male entrepreneurs, the most important motivational factor is Government assistance in the form of loan, subsidy etc. where as in the case of female entrepreneurs it is childhood family environment.

The problem of unemployment has become the II important motivational factor in case of both male and female entrepreneurs. In case of male entrepreneurs, childhood family environment has become the III motivating factor and Government assistance has become the III motivating factors for female entrepreneurs. Leading independent like has occupied the IV place in case of both entrepreneurs. Work experience has become the V motivating factor in case of males and it has become the VI motivating factor in case of females. Education has occupied VII motivating factor in case of male and female entrepreneurs, which shows the present education is lacking entrepreneurship training. So there is a urgent need to reorient the education system to include entrepreneurship.

Findings

1. There is need to reorient present education system. Entrepreneurship need to be included in curriculum.
2. Family environment has become the most important motivating factor in case of female entrepreneurs.
3. Unemployment is one of the reasons for starting their own ventures in case of males and females.
4. Work experience provided a valuable platform toward starting a business in case of males.
5. Government assistance has become the most important motivating factor in case of males.

Conclusion

The decision to start an entrepreneurial venture consists of several sequential steps: (1) the decision to leave a present career or lifestyle; (2) the decision that an entrepreneurial venture is desirable; and (3) the decision that both external and internal factors make new venture creation possible.

There are both pushing and pulling influences active in the decision to leave a present career; the 'push' of job dissatisfaction or even a layoff, and the 'pull' toward entrepreneurship of seeing an unfilled need in the market place. The desirability of starting one's own company is strongly influenced by culture, subculture, family, teachers, and peers for male and female entrepreneurs in different ways. Any of these influences can function as a source of encouragement for entrepreneurship, with support ranging from government policies that favour business to strong personal role models of family or friends. Beyond the stage of seeing entrepreneurship as a 'good idea', the potential entrepreneur must possess or acquire the necessary education, management skills, and financial resources for launching the venture.

Significant growth in the number of women employed outside has created a new field of research. Are female entrepreneurs different from their male counterparts? It is clear that male and female entrepreneurs have few things in common. Although some of the background and personality characters are quite similar between the sexes, there are striking differences between them in terms of motivation.

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