



**Small Enterprise Association of Australia and New Zealand**  
28<sup>th</sup> Annual SEAANZ Conference Proceedings  
1-3 July Melbourne 2015

# **Towards an understanding of the enablers of female entrepreneurial ventures and success**

Robyn Cochrane<sup>a</sup>

<sup>a</sup> Monash University, Department of Management, contact – Email:  
[robyn.cochrane@monash.edu](mailto:robyn.cochrane@monash.edu)

## **Abstract:**

Entrepreneurs and entrepreneurial ventures have been lauded as a driving force for innovation and economic prosperity and a considerable body of literature has addressed the concept of entrepreneurial intentions. Yet our current understanding of the enablers which assist individual entrepreneurs to move from the cognitive stage of “wanting it” to the behavioural stage of “doing it” through to entrepreneurial success is limited. In particular, knowledge is lacking in relation to the entrepreneurial intentions and experiences of females. Drawing on the Theory of Planned Behaviour (Ajzen, 1991), this paper presents a conceptual model which shows linkages between entrepreneur characteristics and traits, intentions, behaviours and entrepreneurial success. The model proposes enablers for entrepreneurialism at the individual-level (role models and support networks), business-level (professional advisors and networks), and institutional-level (government initiatives). The influence of the national context is also considered.

**Keywords** Female entrepreneurs, gender, small business, entrepreneurial intentions, business success, self-employed.

©copyright Cochrane (2015) all rights reserved.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

## INTRODUCTION

Entrepreneurs and entrepreneurial ventures have been lauded as a driving force for innovation, new job creation and economic prosperity. The “creative destruction” process (Schumpeter, 1942) is often associated with the successful entrepreneur and is critical to the economic growth and vitality of societies (Gupta and Fernandez, 2009). Indeed, there is common agreement that individuals starting new business ventures in the future, provide key sources of innovation and job creation, which ultimately lead to economic growth and prosperity (Organisation for Economic Co-Operation and Development, 2010; European Commission, 2010).

Numerous labels and definitions have been for entrepreneurs by practitioners and academics internationally. Research definitions of “entrepreneur” have spanned a range of actors including founders of ventures (Le Breton-Miller and Miller, 2013), small business owners (Gorgievski Ascalon and Stephan, 2011) and a person who creates a new for-profit business and employs at least one other paid employee (Kirkwood, 2009). A widely used definition proposed by Carland et al. (1984), describes an entrepreneur as an individual who independently owns and actively manages a small business and makes a differentiation between profit/growth-oriented entrepreneurs and income-oriented entrepreneurs.

Within the international research literature, there are a variety of terms used in relation to entrepreneurial ventures. The Global Entrepreneurship Monitor (GEM) defines five entrepreneurship groups: *future-nascent* (start a new business within next three years), *nascent* (currently trying to start a new business), *intrapreneurs* (trying to start a new business or new venture for your employer), *newpreneurs* and *existpreneurs* (currently selling goods or services to others). In Australia, other commonly used labels for entrepreneurial ventures are *nascent firms* (in the process of being created but not yet established in the market) and *young firms* (having been operational for up to four years) (Commonwealth of Australia, 2012). While Australian data shows around one third of *nascent firms* and over 75% of *young firms* are still operational after three years, many entrepreneurs report they are still trying and uncertain or they have terminated or decided to exit. *Nascent firms* and *young firms* may be product-based or service-based and the majority start off very small and stay that way (Commonwealth of Australia, 2012). Thus understanding the factors that can support entrepreneurial sustainability and growth is of key importance.

The gendered nature of entrepreneurship has become a topical research area in the past decade. Despite an increase in the number of female entrepreneurs in recent years, entrepreneurial activity among men is significantly greater and noteworthy differences are evident across national settings (Commonwealth of Australia, 2012; Shinnar et al., 2012). Verheul et al. (2012, p. 338) conclude “Given the untapped female entrepreneurial potential, it is important for policymakers to understand from where the gender differences in the perception of the entrepreneurial environment originate.”

Rather than focussing on gender-specific obstacles and barriers, this paper focuses on the potential enablers of females who are contemplating or engaging in entrepreneurial ventures. Given the dearth of empirical research examining entrepreneurial orientations as an individual-level construct and calls for more attention to be paid to the intentions and behaviours of the individual

entrepreneur (De Bruin, Brush & Welter, 2007; Kirkwood, 2009), this paper focuses on the individual entrepreneur.

The aim of this paper is to present a conceptual model which proposes linkages between entrepreneurial intentions, behaviours and success with enablers at the individual-, business- and institutional-level. To this end, this paper explores “What individual, business and institutional resources could enable the success of female entrepreneurial ventures?”, and is structured as follows. Firstly, the characteristics, traits, work attitudes and success indicators associated with entrepreneurs are considered. Second, Ajzen’s (1991) Theory of Planned Behaviour (TPB) and potential individual-, business- and institutional-level enablers of entrepreneurialism are outlined. The conclusion presents contributions to theory and research knowledge, opportunities for future research as well as implications for policy and practice.

## **TOWARDS AN UNDERSTANDING OF FEMALE ENTREPRENEURS**

### ***Characteristics and traits of prospective female entrepreneurs***

Despite the “resilience of the male norm” in entrepreneurship (Hamilton, 2013), there are important themes in the entrepreneurship literature that can be usefully applied in an examination of female entrepreneurs. The influence of *role models* as a driver of preference for self-employment has been examined. Evidence shows self-employed parents (Verheul et al., 2012) and parental role models (Bennett and Dann, 2000) are particularly influential. Having a preference for self-employment has also found to be associated with xxx (ref). The role of *personality traits* has received substantial research attention in terms of entrepreneurial cognition and career choice. While not conclusive, substantial evidence suggests *risk-taking propensity* (Caliendo, Fossen and Kritikos, 2014; Bennett and Dann, 2000; Stewart and Roth, 2001), *internal locus of control* (Caliendo, Fossen and Kritikos, 2014; Bennett and Dann, 2000; Verheul et al., 2012) and *self-efficacy* (Piperopoulos and Dimov, 2014; Verheul et al., 2012) are related to entrepreneurial cognition and entrepreneurial career choice. The role of *household context* has also been identified as an influential factor in entrepreneurial intentions for females. Household context and family-related factors have recently been recognising as playing a significant role, particularly in relation to the motivations of females (Kirkwood, 2009; Orhan and Scott, 2001).

### ***Experiences and attitudes of female entrepreneurs***

While there is substantial meta-analytic evidence from other research domains which shows support for the predictive power of *commitment* and *satisfaction* with desirable outcomes for individuals and organisations (i.e., Mathieu & Zajac, 1990; Meyer, Stanley, Herscovitch & Topolnytsky, 2002) there is limited evidence in the entrepreneurship literature.

### ***Indicators of entrepreneurial success***

Individuals have various drivers or motivations for becoming an entrepreneur or self-employed and the commonly used classification for motivations is *pull* and *push* factors (Hakim, 1989) or the *voluntary* and *involuntary* dichotomy (Ellingson, Gruys and Sackett, 1998). For instance, a desire for independence and autonomy as well as monetary motivations are generally regarded as pull factors whereas issues such as unemployment, redundancy and a lack of job or career prospects are usually

considered to be push factors (Kirkwood, 2009; Orhan and Scott, 2001). Further, household context and family-related factors also play a significant role, particularly in relation to the motivations of females (Kirkwood, 2009). Therefore, when framing an examination of success indicators in the context of female entrepreneurs, it seems appropriate to apply a broad and comprehensive range of success indicators.

Research has revealed a number of indicators for entrepreneurial success, particularly in relation to profitability and growth. In an examination of small business owners' personal values and subjective success criteria, Gorgievski, Ascalon and Stephan (2011) revealed 10 aspects of entrepreneurial success. The entrepreneurial success criteria are presented in Table 1 and the ranked ordering of the criteria was found to vary according to business owners' age and business size. These success criteria have been incorporated within this paper's conceptual model to gain a fuller appreciation of the individualised meaning of business success.

**Table 1:** Entrepreneurial success criteria

- 
- Personal satisfaction: through attaining important things in life, such as autonomy, challenge, security, power and creativity
  - Profitability: high yields, good profit margin
  - Satisfied stakeholders: satisfied and engaged employees, satisfied customers
  - Good balance between work and private life: positive mutual influence between work and private life, allows time for yourself, family and friends
  - Innovation: introduction of new products, systems or production methods
  - Business survival/continuity: enables generational transfer or can be sold with a profit
  - Utility or usefulness: business fulfils a need in society; it provides an important service or product
  - Contributing back to society: socially conscious, sustainable production methods
  - Public recognition: good reputation, recognition in field/industry, prize-winner
  - Growth: growth in the number of employees, sales, market share and/or distribution
- 

Source: adapted from Gorgievski, Ascalon and Stephan (2011, p. 209)

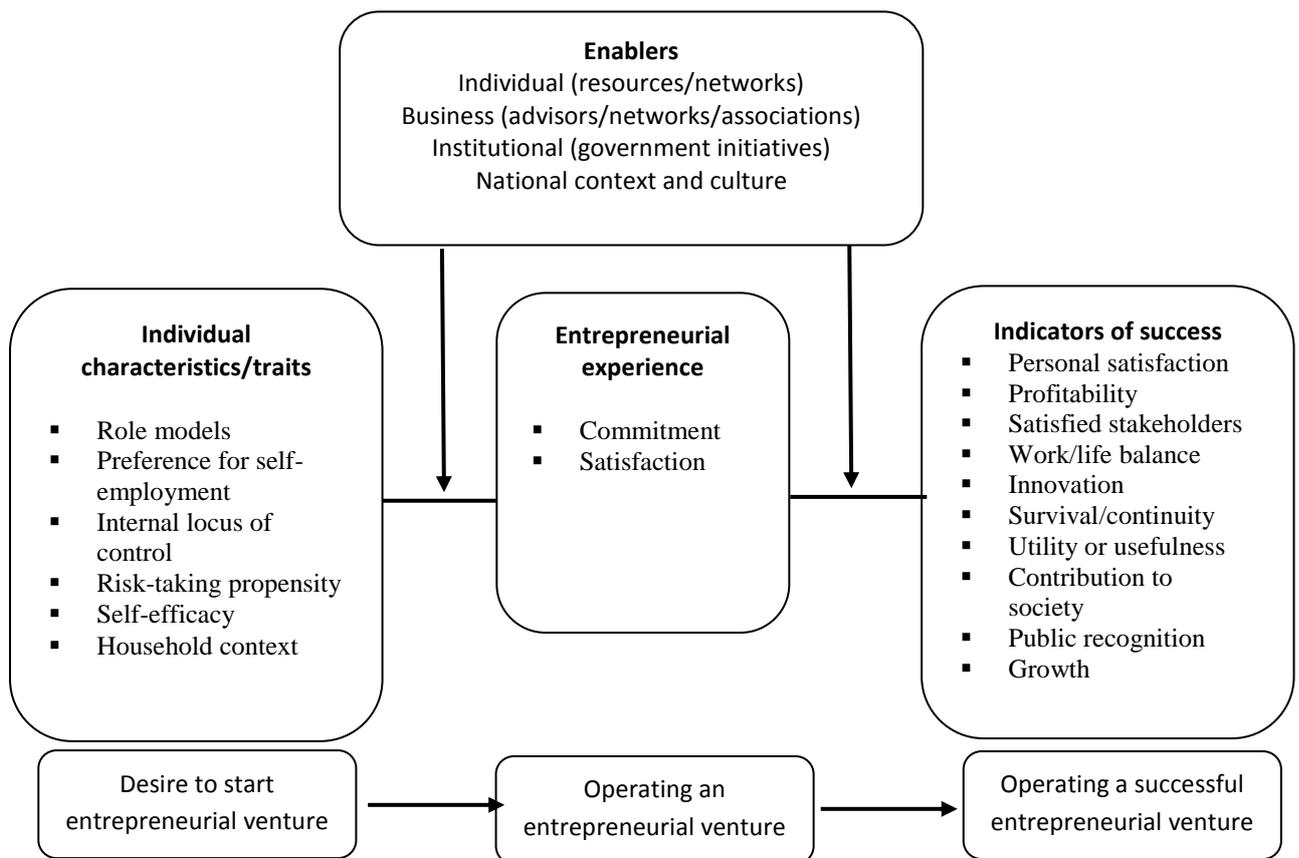
## **THE THEORY OF PLANNED BEHAVIOUR AND THE ENABLERS OF FEMALE ENTREPRENEURIAL VENTURES AND SUCCESS**

### ***Attitudes, intentions and behaviours in the entrepreneurial context***

According to Ajzen's (2011), theory of planned behaviour (TPB), beliefs about attitude, subjective norms and perceived control have an influential effect on behaviour and are mediated by intentions. Ajzen (2011) defines intention as "a person's readiness to perform a given behaviour" and proposes that intention has three cognitive antecedents. Substantial empirical research has found the three antecedents (*attitude* – individual's favourable or unfavourable evaluation of the target behaviour; *subjective norms* - the opinions of social reference groups regarding whether the individual should engage in the behaviour; *perceived behavioural control* - perceived ease or difficulty of performing the behaviour) explain significant amounts of the variation in intentions. While there is substantial meta-analytic evidence from other research domains which shows support for the predictive power of intentions for subsequent behaviour (i.e., Armitage & Conner, 2001), there is limited evidence on the intention-behaviour relationship in the entrepreneurship literature.

In one of the few empirical studies testing the robustness of TPB in predicting entrepreneurial intentions and action, Kautonen, van Gelderen and Fink (2013) found support for all hypothesised relationships with *attitude*, *subjective norms* and *perceived behavioural control* jointly explaining 59% of the variation in intention. Further, *intention* and *perceived behavioural control* explained 31% of the variation in subsequent behaviour which aligns with results reported in meta-analyses in other research domains. The findings reported by Kautonen, van Gelderen and Fink (2013) demonstrate support for the validity in TPB predicting entrepreneurial intentions and actions, hence, the TPB underpins the conceptual model presented in Figure 1.

**Figure 1:** Conceptual model for understanding the enablers of female entrepreneurial ventures and success



### ***Entrepreneurialism enablers at the individual level***

Evidence reported from the Global Entrepreneurial Monitor (GEM) shows individual entrepreneurs receive advice on a new business from a range of personal sources, particularly *role models* and individuals within their *support networks*. According to Bosma et al. (2012), *role models* are likely to be of the same gender and accessible to an entrepreneur and are often of a similar nationality and operating in a similar industry or sector. *Role models* tend to play important functions including supported learning, inspiration, advice, counselling and encouragement. Individual entrepreneurs may also receive support and advice from individuals within their *support networks* such as a spouse, life-companion, parents, other family or relatives, friends, current work colleagues or employer.

Hence, *role models* and *support networks* are proposed as individual-level enablers for female entrepreneurs.

### ***Entrepreneurialism enablers at the business level***

Research into what contributes to sustainable small business success consistently finds that accessibility to formal and informal business networks is vital (Feindt, Jeffcoate and Chappell, 2002; Sherer, 2003; Rosenbusch, Brinckmann and Bausch, 2011). Hence, individual entrepreneurs may seek or receive advice on a new business from a range of business sources, particularly *professional advisors*, *professional networks* and *professional associations*. *Professional advisors* may include researchers or inventors, possible investors, bankers, lawyers, accountants, public advisory services for business.

External relationships and *professional networks* are related to access to resources, business growth, competitive advantage and performance of small businesses (Schoonjans et al., 2013; Street and Cameron, 2007). A network has been described as a collection of relationships that binds a group of independent organisations together (Das and Teng, 2002; Gulati, 1998) and as “a set of actors connected by a set of ties” (Borgatti and Foster, 2003; p. 992). The term “actor” can refer to any kind of entity, from individuals to collectives such as a team or an organisation. As a form of digital communication, *professional social media networks* are a broad term used to capture a myriad of technologies and platforms including wikis, blogs, microblogs, video-sharing sites and virtual worlds (Hanna et al., 2011; Kaplan and Haenlein 2010).

Further, it is not surprising that entrepreneurs who generally sit outside of organisational boundaries, seek direction and meaning from alternative work groupings such as *professional associations* (Currie et al. 2006). According to Greenwood et al. (2002), professional associations play multifaceted roles including the provision of important arenas for organisations to interact and collectively represent themselves to themselves. Further, once established, *professional associations* reproduce collective beliefs and practices through processes such as professional development, hiring, certification and ceremonies of celebration. Currie et al. (2006) propose *professional associations* are influential in providing cues for career and work pathways for some occupations. Members of professional bodies ideally enjoy a range of benefits which involve occupational advantages (such as assistance with job searches and the provision of professional contacts) and informational advantages (such as newsletters, conferences and information services) (Hager, 2014; Knoke, 1988). Further, membership of relevant professional associations and attending their events might provide access to prospective clients (Faulconbridge et al., 2009) as well as access to entrepreneurialism-related education and training. Hence, *professional advisors*, *professional networks* and *professional associations* are proposed as business-level enablers for female entrepreneurs.

### ***Institutional enablers of entrepreneurialism***

Government legislation and regulations relating to entrepreneurs and the self-employed vary across national contexts, as does the prevalence of self-employment. For example in Australia, independent contractors make up nearly 10% of the total workforce, accounting for 13% of employed males and 6% of employed females (Australian Bureau of Statistics, 2013). *Government initiatives* intended to encourage and support entrepreneurial activities and ventures also vary across national settings.

*Government initiatives* may include the provision of small business websites which provide tailored information and practical checklists; grants and loan programs; relocation incentives; equity financing; workshops and events. Hence, *government initiatives* are proposed as institutional-level enablers for female entrepreneurs.

## CONCLUSION

The aim of this paper was to draw on and apply key elements of TPB to present a conceptual model that can be empirically tested and further knowledge about the enablers of successful female entrepreneurs. Advancing knowledge about female entrepreneur has implications for government policy and practice. In the Australian context where there is a strong tradition of self-employment, understanding the key decision points facing females in their pursuit of entrepreneurialism could generate positive outcomes for individuals, job creation, innovation and prosperity for the Australian economy. Government bodies and other institutions contemplating initiatives and programs to support entrepreneurial activities could focus on raising awareness about self-employment/entrepreneurialism, promoting positive role models, establishing carefully designed and/or technology-assisted information, how-to guides, personality testing quizzes and training modules. In terms of practical implications, understanding the descriptive profile and changing needs of entrepreneurs from both an individual and business perspective will assist formalised professional associations and informal online and social networks to develop a customised suite of offerings and business coaches or mentors which could prove beneficial to females contemplating, actively engaged in and looking to take their next business step.

## REFERENCES

- Armitage, CJ & Conner, M 2001, Efficacy of the Theory of Planned Behaviour: A meta-analytic review. *British Journal of Social Psychology*, 40, pp. 471–499.
- Bosma, N, Hessels, J, Schutjens, V, Van Praag, M & Verheul, I 2012, Entrepreneurships and role models, *Journal of Economic Psychology*, 33, pp. xxx-xxx.
- Caliendo, M, Fossen, F, & Kritikos, AS 2014, Personality characteristics and the decisions to become and stay self-employed, *Small Business Economics*, 42, pp. 787-814.
- Commonwealth of Australia, 2012, Australian Small Business: Key statistics and analysis, Commonwealth of Australia, Australia.
- De Bruin, A, Brush, C & Welter, F 2007, Advancing a framework for coherent research on women's entrepreneurship, *Entrepreneurship Theory and Practice*, 31, pp. 323-340.
- Ellingson, JE, Gruys, ML, & Sackett, PR 1998, Factors related to the satisfaction and performance of temporary employees. *Journal of Applied Psychology*, 83, pp. 913-921.
- European Commission 2010, Entrepreneurship in the EU and beyond, Flash Barometer 2010, No. 283, European Commission, DG Enterprise, Gallup.
- Frick, S & Lederer, A 2012, Editorial: Searching for the entrepreneurial personality: New evidence and avenues for further research, *Journal of Economic Psychology*, 33, pp. 319-324.

- Gorgievski, MJ, Ascalon, ME & Stephan, U 2011, Small business owners' success criteria, a values approach to personal differences, *Journal of Small Business Management*, 49, pp. 207-232.
- Hamilton, E 2013, The discourse of entrepreneurial masculinities (and femininities), *Entrepreneurship & Regional Development: An International Journal*, 25, pp. 90-99.
- Kirkwood, J (2009), Motivational factors in a push-pull theory of entrepreneurship, *Gender in Management: An International Journal*, 24, pp. 346-364.
- Le Breton-Miller, I & Miller, D 2013, Socioemotional Wealth Across the Family Firm Life Cycle: A Commentary on "Family Business Survival and the Role of Boards, *Entrepreneurship Theory and Practice*, 37, pp. 1391-1397.
- Mathieu, J.W., & Zajac, D.M. (1990). Review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin*, 108(2), 171-194.
- Meyer, J.P., Stanley, D.J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61(1), 20-52.
- Organisation for Economic Co-Operation and Development 2010, SMEs, Entrepreneurship and Innovation, Organisation for Economic Co-Operation and Development, Paris.
- Page, K.M. and Vella-Brodrick, D.A. (2009), "The 'what', 'why
- Orhan, M & Scott, D 2001, Why women enter into entrepreneurship: an explanatory model, *Women in Management Review*, 16, pp. 232-247.
- Piperopoulos, P & Dimov, D 2014, Burst bubbles or build steam? Entrepreneurship education, entrepreneurial self-efficacy, and entrepreneurial intention, *Journal of Small Business Management*, xxx
- Schumpeter, JA 1942, *Capitalism, socialism and democracy*, Harper and Brothers, New York.
- Shinnar, RS, Giacomini, O & Janssen, F 2012, Entrepreneurial perceptions and intentions: the role of gender and culture, *Entrepreneurship Theory and Practice*, 36, 465-493
- Verheul, I, Thurik, R, Grilo, I & Van der Zwan, P 2012, Explaining preferences and actual involvement in self-employment: Gender and the entrepreneurial personality, *Journal of Economic Psychology*, 33, pp. 325-341.