



Article

Social enterprise: Gender gap and economic development[☆]

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ABSTRACT

Companies created by women represent a substantial part of entrepreneurship. While men outnumber women in entrepreneurship rates, the gender gap decreases in the case of social enterprises. This may be explained by the fact that roles and stereotypes that influence women's behavior will lead to significantly identify with the values promulgated by social enterprises. This greater involvement in social activities leads women to become an essential player for promoting such needed initiatives given the impossibility for public institutions to address all social problems. Therefore in this paper, firstly, we study the gender gap in social and commercial entrepreneurship, distinguishing between enterprises with less than 42 months of activity and those consolidated in the market. Secondly, and aware of the variability of data between countries, a study is conducted using a sample of 48 countries grouped according to their level of development. The results confirm what is stated in the literature, the gender gap is reduced in the case of social entrepreneurship and it is also shown that female participation in social enterprises is influenced by the level of development of the country. These results lead us to highlight the importance of variables such as culture or social norms when explaining female behavior.

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Introduction

The role of enterprises is considered essential in the economic sphere, as they mobilize resources, create jobs and generate wealth. Moreover, taking into account their contribution to economic growth, enterprises are considered essential in the development of a territory, as they contribute to the rejuvenation of the socio-productive fabric, re-launching regional areas and boosting the innovative process (Santos, 2012).

That is why in the economic, political and social fields a wide range of private and even public policies have been implemented aimed at entrepreneurship (Álvarez, Noguera, & Urbano, 2012). Examples include programs offered by institutions like the United Nations (UN). In particular, the UN has programs to promote entrepreneurship among which are those targeted at the female segment, which pursue greater equality between men and women, reducing gender violence, achieving peace between territories and in general, promoting social change worldwide (Luchsinger, 2015).

The emergence of measures to support female entrepreneurship is widespread, because the proportion of women who decide to start a business is lower than that of men (Minniti, 2010), being this inferiority more significant as the development level of the country increases (Coduras & Autio, 2013).

These differences have traditionally been attributed to the different motivations that guide men and women. In particular, men are closer to achieving and obtaining economic benefits, while women are closer to pursuing social value (Hechevarría, Ingram, Justo, & Terjesen, 2012; Urbano, Ferri, & Noguera, 2014; Wilson & Kickul, 2006).

Although the commercial enterprise generates social value, this is not in particular its objective, but an indirect consequence of its activity. In the social enterprise, however, the creation of social value is intrinsic to its mission (Dees, 2001; Holmen & Mizzi, 2014), a value which the employer does not want to take ownership for and intentionally creates for others (Santos, 2012).

This fact makes the social enterprise be considered suitable for women in order to align their interests with the roles that have been attributed to them culturally, closely linked to altruism, care and protection of disadvantaged groups (Dietz, Kalof, & Stern, 2002; Mckay, Phillimore, & Teasdale, 2010; Urbano et al., 2014).

Due to the importance for the rest of society, social enterprises are currently being studied by several institutions, such as the European Commission, whose analysis shows that this is a business phenomenon which is currently proliferating and it is increasingly

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easier to find examples of social enterprises worldwide (Holmen & Mizzi, 2014).

Although the number of social enterprises is growing and the implementation of female enterprises (Holmen & Mizzi, 2014; Luchsinger, 2015) is being promoted to a greater extent, the data in this regard, show that the importance of women in the rates of social entrepreneurship varies considerably from one country to another, even from one economic group to another (Bosma & Levie, 2010).

Our two research questions arise from these reflections: (1) Is the proportion of women who create businesses higher in the social case? (2) What influence does the level of economic development of the country have on the proportion of women versus men who set up social enterprises?

While the differences between men and women have been widely discussed in the literature on commercial entrepreneurship, there is little research analyzing them from the social enterprise point of view (Nicolás Martínez, 2014).

In order to respond to these two questions, firstly, an analysis is carried out on the influence that being male or female has on the decision to create a company, specifying in the case that the company created has a social objective. Next, how the level of development of the country where the new company is located mediates in this relationship is studied. The research hypotheses are derived from this relationship. Then these hypotheses are contrasted by the study of the gender separation gap. The sample used is made up of 14,931 entrepreneurs in 48 countries, grouped according to their level of development, of these entrepreneurs, 2693 are social entrepreneurs. The sample was obtained from the database of the Global Entrepreneurship Monitor (GEM) 2009. The paper ends with a discussion of the results and the analysis of the implications for research in this area and the applications it has for enterprises at a practical level.

In general, it should be noted that this work makes important contributions to literature. On the one hand, entrepreneurship according to the gender of the individual who sets up the enterprise is studied, verifying that proportionately women create more social than commercial enterprises in all the groups of countries. On the other hand, gender in social enterprises and the level of economic development is also analyzed, noting that as the level of development decreases, women create a larger number of enterprises, both social and commercial, so there is a negative relationship between the level of development of the country and setting up businesses.

Gender of social entrepreneurship

The literature on gender and entrepreneurship is quite extensive, finding a broad consensus on the fact that men are the ones who start businesses to a greater extent (Eagly, 1987; Langowitz & Minniti, 2007; Mckay et al., 2010; Themudo, 2009).

This greater propensity of the male group is explained by the *social role theory* or its extended version the *gender role theory*, developed by Eagly (1987), in which it is stated that it is not the biological predisposition, but culture that defines socially acceptable behaviors for each gender. While the male role is associated with control or achievement, making them responsible for financial family support, traditionally women are often associated with work in the home, performing household chores and taking care of children and other dependent people. These are the roles and stereotypes that lead to the conclusion that the ideal gender to start and run businesses is the male one (Carter & Rosa, 1998).

Meanwhile, Connell (1990) also supports this argument with his *theory of hegemonic masculinity*, stating that in the business world there is a hierarchical order between men and women, by which

men are seen as the standard and women as the exception to the rule (Godwin, Stevens, & Brenner, 2006).

However, the fact that women have these roles preset and are conditioned by the principles of hegemonic masculinity can cause differences in the way in which they run their businesses, since the objectives that guide their decisions are different from those of men (Langowitz & Minniti, 2007). In particular, there are studies that show that women decide to become entrepreneurs guided primarily by social rather than economic (main motivation of men) objectives (Fernández-Serrano & Liñán, 2014; Urbano et al., 2014).

This fact may explain why women are not only the goal of many social actions, but also key players in social entrepreneurship (Hechevarría et al., 2012). The missions of these types of enterprises are directly related to altruism, care and protection to others, while commercial enterprises pursue to create an economic benefit for the person who started it. This leads to women that create a social enterprise to find a place more adapted to their roles and emotional goals than those starting a commercial enterprise (Dietz et al., 2002; Mckay et al., 2010; Urbano et al., 2014).

Furthermore, while the main objective of the commercial enterprise is the creation of economic benefit, the social enterprise moves away from that goal, focusing explicitly on creating sustainable solutions that create social value through its economic activity (Mair & Martí, 2006). Precisely, social enterprises realign more with the female role due to social objectives, as demonstrated by the work of Themudo (2009) and Hechevarría et al. (2012). Thus Hechevarría et al. (2012) suggest that women focus more on activities related to aid. They are the ones who are most likely to get involved in more volunteer activities, and even the participation of women in the third sector is higher than that of men in countries such as the United States.

In this regard, investigations are focused mainly on UK social enterprises that analyze if women start up social enterprises at a higher rate than commercial enterprises (Harding & Cowling, 2006). In particular, the authors base their study on the analysis of what they call 'gender separation gap'. This tool, also known as gap measures the difference between the percentage of men and women who are involved in the business activity. Its results show that the importance of women increases in the case of social enterprises, so that the gap that separates the entrepreneurship figures between men and women is lower in the social case.

As for Leahy and Villeneuve-Smith (2009), they reached the same conclusion in their research with a sample of individuals of legal age belonging to British social enterprises. Precisely, they claimed that 41.1% of all managers of social enterprises were women, well above the rate observed in the commercial case. Moreover, this fact was also noted when the percentage of owners was analyzed, observing that 26% were women in the social case, while in the commercial case that figure accounted for hardly 14%.

These arguments allow us to affirm that:

Hypothesis 1. The gender separation gap is lower in social enterprises than commercial enterprises.

Gender in social enterprises and economic development

The environment is a key variable when an individual decides to create a company (Hofstede, 1980, 1991, 2003; Shinnar, Giacomini, & Janssen, 2012; Verheul, Stel, & Thurik, 2006). When the participation of men and women in entrepreneurship is studied by analyzing samples from different countries grouped according to their level of development, it can be stated that as the level of development decreases the gender gap also decreases (Kobeissi, 2010; Minniti & Naudé, 2010; Minniti, Allen, & Langowitz, 2006; Van der Zwan, Verheul, & Thurik, 2012).

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