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Gender Differences in Entrepreneurship: Situation, Characteristics, Motivation and Entrepreneurial Behavior of Women Entrepreneurs in Switzerland

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***Abstract*—**Entrepreneurs are important for national labour markets and economies in that they contribute significantly to economic growth as well as provide the majority of jobs and create new ones.

According to the Global Entrepreneurship Monitor's "Report on Women and Entrepreneurship", investment in women's entrepreneurship is an important way to exponentially increase the impact of new venture creation finding ways to empower women's participation and success in entrepreneurship are critical for more sustainable and successful economic development.

Our results confirm that they are still differences between men and women entrepreneurs The reasons seems to be the lack of specific business skills, the less extensive social network, and the lack of identification patterns among women. Those differences can be explained by the fact that women still have fewer opportunities to make a career. If this is correct, we can predict an increasing proportion of women among entrepreneurs in the next years.

Concerning the development of a favorable environment for developing and enhancing women entrepreneurship activities, our results show the insertion in a network and the role of a model doubtless represent elements determining in the choice to launch an entrepreneurship activity, as well as a precious resource for the success of her company.

***Keywords*—**Women entrepreneurship, entrepreneurship motivation, entrepreneurial behavior.

I. Introduction

ENTREPRENEURS are important for national labor markets and economies in that they contribute significantly to economic growth as well as provide the majority of jobs and create new ones [12], [14].

According to the Global Entrepreneurship Monitor's "Report on Women and Entrepreneurship" [1], investment in women's entrepreneurship is an important way to exponentially increase the impact of new venture creation. Finding ways to empower women's participation and success in entrepreneurship are critical for more sustainable and successful economic development.

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II. Objective

Female entrepreneurship is undoubtedly a topic rising in awareness. In the same time, we do not know much about women entrepreneurship in Switzerland, especially concerning entrepreneurship behavior, perception of entrepreneurship, motivation, and growth orientation.

The first objective is therefore to provide an analysis of the key characteristics and context of female entrepreneurial activity and how that may differ from that of their male counterparts.

The second objective of this paper is to provide a comprehensive study of the role played by women involved in entrepreneurial activity in Switzerland.

We also would like to advance the understanding of the needs of aspiring and existing female entrepreneurs, and will help to provide some policy insights useful to develop and enhance a favorable environment for women's entrepreneurship.

Our main hypotheses are that female and male entrepreneurs differ with respect to their personal and business profile: they start and run businesses in different sectors, develop different products, pursue slightly different goals and structure their businesses in a different fashion [8], [6].

Women often have a certain number of assets to launch an activity:

- Flexibility with schedules / Possibility of working part-time
- Free choice, the opportunity to get organized,

This idea of independence is present and confirmed in the motivations of the Swiss entrepreneurs. "Their main motivation is the independence, as their male colleagues, but in a proportion appreciably higher." [3]

- To break through the glass ceiling of the wage-earner

However, specific obstacles probably exist when the matter is facing or concretizing an entrepreneurial project. "Despite the rapid growth of women in professional and managerial jobs, the gender gap in entrepreneurship remains significant." [10], [11]

Intuitively, it is possible to list the main categories of these obstacles:

- Level of education and skills

Although a few resemblances between male and female entrepreneurs, particularly concerning their educational level [13], the typical profile of the woman entrepreneur differs from that of her male counterpart.

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- The lack of support
- Stereotypes and discrimination.

III. Methodology and Data

For this research, we proceeded to a secondary analysis of the Swiss GEM datasets (Global Entrepreneurship Monitor) of 2005 and 2007, and 2009.

The GEM project is one of the largest survey-based studies of entrepreneurship in the world. It consists mainly on a phone survey with a representative sample of the population, at least 2000 persons for each edition. It aims to measure annually the entrepreneurship activity in a large number of countries.

The GEM project defines entrepreneurship as a process which consists in identifying, estimating and exploiting business opportunities aimed at the creation of a new company. Let us briefly remind the underlying theoretical model inquiries GEM. The entrepreneurial behavior is deliberate; it depends on the perception of the attractiveness and the feasibility of the action, two elements which are a function of factors such as the individual differences, and the influences due to the situation of the person.

IV. Definition of Entrepreneurship in the Present Study

A wide range of definitions of entrepreneurship exists [9]. For instance, Hebert and Link [7] describe an entrepreneur as 'someone who specializes in taking responsibility for and making judgmental decisions that affect the location, form, and the use of goods, resources, or institutions'. In a broader sense, self employment and business ownership are understood to be equivalent to entrepreneurship. This occupational definition of entrepreneurship, which is congruent with the Gem's one [3], i.e., entrepreneurs are people working for their own account and risk, is adopted in the present research

V. Main Results

First, we can point out that, regarding women's participation in entrepreneurship, Switzerland reaches an excellent position, compared to neighboring or similar European countries, with 4.5% of women entrepreneurs, just after France.

The men woman ratio is also to be noticed. If in innovation driven economies the ratio is generally of 2 men for 1 woman, in Switzerland this ratio reaches 3 men for 2 women. These results have to be balanced with a relative low level of entrepreneurial activities in Switzerland, among comparable countries, but regarding our neighbors, still better than Germany and Italy.

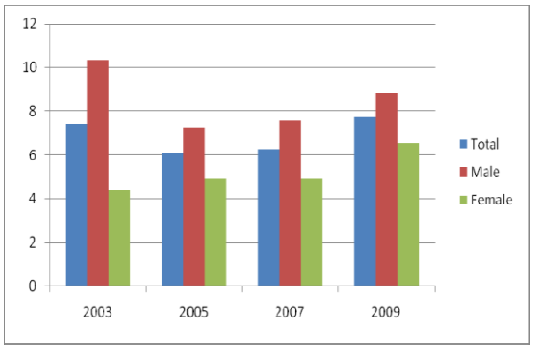


Fig. 1 Female entrepreneurship: position of Switzerland based on the GEM data

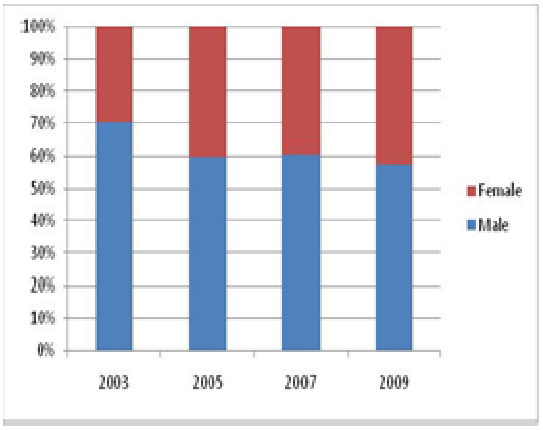


Fig. 2 Parity between men and women based on the GEM data

Without any surprise regarding our hypothesis, there is a gender effect on women entrepreneurship behavior, activity (sector and industry), perception, motivation, and growth orientation.

Sector and industry, organization: Women entrepreneurs are widely active in consumer oriented and service (tertiary) activities, for examples, activities related to health, social, or education. These activities take mostly place at the local level and therefore need generally relatively less resources. Women entrepreneurs are therefore under-represented in the transformational industry and in business-to-business activities. Women entrepreneurs can be found in rather smaller (in number of employees) organization than men.

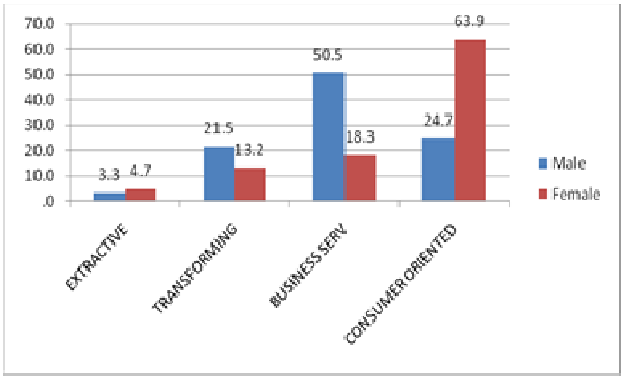


Fig. 3 Distribution by business sectors based on the GEM data

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Network: The network plays an essential role in new business start-ups or at least plays the role of facilitator [4]. Historically, women, because of their domestic and family activities, had for a long time fewer opportunities than men in constituting a professional network, likely to help them. Today, in spite of the professional emancipation of women, they still encounter difficulties in constituting effective networks. Women are less numerous (28 % as opposed to 44 % for men) to know an entrepreneur in their circle environment.



Fig. 4 Fear of failure, the optimism, and the network based on the GEM data

Motivation, behavior, growth orientation: The results of the annual GEM report [5] show that women can enter into entrepreneurship for many of the same reasons as men: to support themselves and their families, to enrich their lives with careers and financial independence and so on. Nevertheless, they are some differences. For the women of our sample, the main motivation is the independence, as their male colleagues, but in a proportion appreciably higher. Women also express less than men their ambition to grow their level of income or to develop their business. As we know [2], in Switzerland, business growth often requires an internationalization of its activities. It appears that women have much less the intention to internationalize their business than men. Regarding that, it is logical that they are much less numerous than men (four times less numerous) saying they intend to create 20 jobs or more within their organization.

Finally, companies with high growth potential often find themselves in areas technologically innovative. Women entrepreneurs use relatively less new technologies in their supply, products and services than men.

TABLE I
MOTIVATIONS, AMBITION FOR GROWTH, NEW TECHNOLOGIES BASED ON THE GEM DATA 2005 AND 2007

	Men %	Women %
Objectives of growth of market share	42	37
Insourcing of the activities	22	13
Use of new technologies in the offer	37	19
20 jobs or more in 5 years	12	3

VI. CONCLUSION

Our results confirm that they are still differences between men and women entrepreneurs The reasons seems to be the lack of specific business skills, the less extensive social network, and the lack of identification patterns among women. Those differences can be explained by the fact that women still have fewer opportunities to make a career. If this is correct, we can predict an increasing proportion of women among entrepreneurs in the next years.

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