

6-9-2007

EXPLAINING PREFERENCES AND INVOLVEMENT IN SELF-EMPLOYMENT: NEW PERSPECTIVES ON THE ROLE OF GENDER (SUMMARY)

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Recommended Citation

Verheul, Ingrid; Thurik, Roy; and Grilo, Isabel (2007) "EXPLAINING PREFERENCES AND INVOLVEMENT IN SELF-EMPLOYMENT: NEW PERSPECTIVES ON THE ROLE OF GENDER (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 27: Iss. 16, Article 4.

Available at: <http://digitalknowledge.babson.edu/fer/vol27/iss16/4>

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SUMMARY

EXPLAINING PREFERENCES AND INVOLVEMENT IN SELF-EMPLOYMENT: NEW PERSPECTIVES ON THE ROLE OF GENDER

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Principal Topic

Worldwide there are less female than male entrepreneurs, whether measured in terms of newly founded or established firms. Not only are women less likely to be involved in entrepreneurship, they also tend to have a lower preference for entrepreneurship. The lower willingness of women to become entrepreneur may – at least partially – explain their lower activity rates. The distinction between preferences and actual involvement is important if entrepreneurship is seen as a multi-layered process where each stage is influenced by different factors. This study investigates the determinants of the preference and engagement stage of entrepreneurship. Focus is on how gender influences the preference for entrepreneurship, entrepreneurial activity and the relationship between these two stages. Few studies have distinguished between the influence of gender on preferences and on actual involvement. Moreover, such studies tend to include gender in the analysis as dummy variable. This study aims at explaining the discrepancy in female and male entrepreneurial preferences and activity by investigating mediation, moderation and ‘direct’ effects of gender.

Method

To test for gender effects on (preference for) self-employment use is made of survey data from 26 countries for 2004. We use random samples for each of the participating countries and the study is based on 7914 observations (4356 male and 3558 female). Two probit equations are estimated explaining preferences for and actual involvement in self-employment (versus wage-employment) from gender and other explanatory variables (age, education, role models, perceptions, risk attitude and locus of control).

Results and Implications

Results show that gender moderates the relationship between self-employment and other explanatory variables, and that preference for self-employment is an important mediator in the relationship between gender and actual self-employment. We do not find an effect of gender on the relationship between preference for and actual self-employment, indicating that women and men with a preference for self-employment do not differ in terms of the impact of this preference on its materialization.

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