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GENDER, ENTREPRENEURIAL ABILITIES, AND PERCEIVED NEW VENTURE RISK (INTERACTIVE PAPER)

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INTERACTIVE PAPER

GENDER, ENTREPRENEURIAL ABILITIES, AND PERCEIVED NEW VENTURE RISK

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Principal Topic

Studies of the relationship between gender and entrepreneurship have shown that gender plays a significant role in the decision to start a new business. Inter-gender differences in the cognitive processes used in considering new ventures should have different effects on the perceived likelihood of new venture success. The findings of this study suggest that women use certain cognitive processes in the development of new venture plans that have been “hiding” from the literature and that researchers need to focus on the abilities that women – rather than researchers – find relevant.

Method

Survey of undergraduate business students and Mann-Whitney tests for independent samples

Results and Implications

Females exhibited a greater sense of ownership in the new venture planning process than did males, and they also perceived a higher likelihood of new venture success than their male counterparts. While the combined literatures on self-efficacy and psychological ownership consider using leads to a greater sense of ownership in which females are motivated to expend more effort in the process than males. As a result, such females are more likely than males to view the success of their new venture as more likely.

These findings suggest that there are certain cognitive processes that take place in the development of new venture plans that have been “hiding” from the literature. The predilection of women to assume task-specific roles for developing new venture plans provides them with a greater sense of the possibilities and pitfalls of their new ventures and probably a greater learning experience than for men. These findings suggest that it is not the need to train teen girls in abilities and skills that researchers consider to be relevant to entrepreneurial careers (Wilson et al, 2007), but rather a need for researchers to focus on the abilities that girls find relevant.

This study advances the literature on the role of gender in entrepreneurship by considering gender effects on the relationship between self-efficacy, psychological ownership, and perceived risk on the perceived likelihood of new venture success. The findings of this study draw attention to cognitive biases and processes used by women that are both different from those of men and superior to those of men.

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