WORDS MATTER: MEN, WOMEN AND THE POWER OF THE SPOKEN WORD IN ENTREPRENEURIAL PITCHING

Lakshmi Balachandra  
Babson College, USA, lbalachandra@babson.edu

Katrin Fischer  
Babson College, USA

Recommended Citation
Available at: https://digitalknowledge.babson.edu/fer/vol36/iss2/1
ABSTRACT

Although literature in female entrepreneurship points out disparities in funding between men and women entrepreneurs, there is little research that examines if there are differences between men and women in the way they “ask” for capital. We examine investor pitches to determine if men and women craft language differently. We draw on theories of communicative style, public speaking and discourse analysis to investigate how rhetorical devices used by male versus female entrepreneurs may influence investor decisions. Using transcriptions of 185 pitches, we find that women do not apply rhetorical styles that have traditionally been attributed to women. Instead, women use more male “typed” language when pitching. Our findings suggest that female entrepreneurs have a clear understanding of the power of the spoken language and the impact of the words they use when pitching for VC funding.

HYPOTHESES DEVELOPMENT

Research investigating the intersection between gender and business discourse has flourished since the 1970s, when more and more women entered the workforce and “gender inequalities” such as “lower pay for women fulfilling exactly the same role as their male counterparts, sexual objectification and harassment, and the ‘glass ceiling’” became increasingly apparent (Mullany, 2009; p. 213). Researchers from various academic disciplines have focused on examining both “the crucial role that gender plays in business communication” as well as the “the role that business discourse can play in producing, maintaining and reproducing […] inequalities” between men and women in the workplace (Mullaney 2009, 214).

Research on gender and language has long proven that spoken conversations may fail because men and women tend to employ different rhetorical devices to signal meaning (Maltz and Borker 1982, Tanner 1990). Deborah Tannen, expanding on arguments laid out by Robin Lakoff in *Language and Woman’s Place*, maintains that men and women see the world with different eyes, and that their distinctive views are reflected in their language choices and communication styles. Men have a propensity for “public speaking,” while “more women feel comfortable doing ‘private’ speaking” (Tannen 2001, pp. 76-77). Based on these observations, Tannen introduces the distinction between “report talk,” more likely to be employed by men, and “rapport talk,” more likely to be employed by women (Tannen 2001, p. 77).

Other research suggests that such gender-specific language in business may also prevent women’s professional success (Mindell, 1995). Women have been criticized for using communication styles that sabotage success as they tend to employ language that is perceived as weak in professional contexts and, therefore, as counter-productive to achieving business goals (Mindell, 1995). The types of language used by women in business contexts have been identified
as contributing to an inability to achieve tangible management outcomes like promotions or pay increases (Mindell, 1995).

We take these findings on gender and language in management to examine the role of gendered language in entrepreneurship, in particular, when women entrepreneurs are soliciting venture capital funding. Research acknowledges that “there are gender differences in ways of speaking” and emphasizes the need “to identify and understand them” (Tannen 2001, p. 17). We examine how gender differences in language use might apply to pitching situations as understanding them is crucially important for identifying how gender differences may lead to limitations for women’s access to venture capital financing.

Given that the start-up rates of female entrepreneurs have grown dramatically in the past two decades (Kelley, Brush, Greene, & Litovsky, 2012), it has been acknowledged that a deep disparity persists in the amount of early-stage capital that women receive compared to men (Brush, Greene, Balachandra & Davis, 2014). Research has consistently indicated that capital providers are biased against women (Brush, Carter, Greene, Hart, & Gatewood, 2002; Carter, Brush, Greene, & Gatewood, 2003; Buttnner & Rosen, 1998; Greene, Brush, Hart, & Saparito, 2001; Hisrich & O’Brien, 1982; Morris, Miyasaki, Watters, & Coombes, 2006; Brush et al., 2014). Given the significant gender gap in funding outcomes and the role of gender bias in this environment, we want to understand if one aspect of gender, the use of language selected by women versus men impacts investor interest in funding the venture.

We use the language selected by women versus men when presenting their ventures to investors; in other words, the language they use to craft their “pitch.” The “pitch” is the initial presentation an entrepreneur makes to investors and represents a critical moment in the investor’s vetting process when determining whether or not to fund the venture (Chen, Yao, & Kotha, 2009; Clark, 2008; Van Osnabrugge & Robinson, 2000; Wiltbank, 2005). Given the importance of the content of a pitch in this context, the language used by entrepreneurs to convey these concepts may influence investor’s interest depending on certain language choices over others (Tannen, 1990; Holtgraves & Kashima, 2008).

Given noted differences in rhetorical styles between men and women and our contention of how such styles may be reflected when men and women craft their pitches, we also hypothesize that these differences in language use will impact the audience’s (i.e. potential investors’) decisions for funding. Essentially, given the stylistic variance between male and female entrepreneurs when presenting their ventures to investors, these may construct a potential factor that drives the disparity in funding of men versus women-led enterprises (Greene et al., 2003).

The role of language may therefore have different impact due to the gendered nature of language selected by women. Researchers have found that terms relating to power, prestige, and authority, which have been connected more to men (Karlin et al., 2002), are also related to entrepreneurship. Feminine language, or discourse styles that are more often used by women relate to concepts of nurturing, being family-oriented, and care-giving (Cejka & Eagly, 2012) which are not valued as highly in entrepreneurship (Bird & Brush, 2002). Because of the heavy emphasis on masculinity in entrepreneurship (Ahl, 2006; Bird & Brush, 2002; Bruni, Gherardi, & Poggio, 2004; Cekja & Eagly, 1999; Marlow, 2002), where successful entrepreneurs are described as bold, aggressive risk-takers (Baughn, Chua, & Neupert, 2006; Gupta & Turban, 2012), we expect that the male rhetorical style will be more impactful for the (predominantly male) venture capital investor audience (Brush, Greene, Balachandra & Davis, 2014). When entrepreneurs use language that is more masculine in
characteristic and less feminine, then investors will be more likely to select those ventures. Finally, because both women and men tend to be judged regularly on whether they do or do not conform to gendered expectations (Eagly, 2004; Tannen, 2001). This might posit a quandary for female pitch contestants, who “move beyond gendered expectations for their sex” (Mullany, 2009; p. 218) by adopting a male communication style and might, therefore, be evaluated more “harshly” than men (Eagly & Karau, 2002; Heilman, et al, 2004; Tannen, 2001). Our hypotheses are therefore as follows:

Hypothesis 1: Women and men will craft the language of their pitch differently: women will employ more feminine language and men will employ more masculine language.

Hypothesis 2: Investors will prefer pitches crafted with more masculine language than feminine language.

Hypothesis 3: Investors will not prefer pitches crafted with more masculine language when they are presented by women entrepreneurs.

METHOD

We utilize data from the MIT $100K entrepreneurship competition, one of the oldest business plan competitions in the world. The competition hosts an “Elevator Pitch Contest” (EPC) where contestants deliver 60 second pitches to seek out team members and practice for the $100K, while vying for the EPC’s monetary prize of $5K. We obtained videos of 185 pitches by male and female entrepreneurs pitching to venture capital investors where the investors decided immediately after the pitch if they were interested in learning more about the venture for potential funding. No prescreening process limits entrants to the EPC, though they must pitch an already established (ongoing) start-up venture. Each entrepreneur has only one minute to pitch the venture, and props and slides are not allowed therefore the entrepreneur must focus carefully on the language selected to convey their venture concept and value proposition. Our sample includes all 185 entrant pitches during two years of the PC, 2007–2008.

Each entrepreneur pitches in a designated “industry” room, reflecting the proposed venture’s industry categorization, and where the assigned judges are three experienced, local venture capitalists with investment funds in that industry. There were six industry categories for a total of 18 judges (15 male and 3 female). All judges were seasoned investors – partner-level venture capitalists at local Boston-area funds. After the pitches, judges collaboratively selected two finalists from each industry to pitch in a finalist competition at the end of the evening for cash prizes. This selection was a proxy for investor preference: if these had been actual pitches to venture firms – firms determine whether or not to send the company for more serious investment consideration by beginning due diligence (e.g. Fried & Hisrich, 1994). Therefore, the investors’ selection of a pitch as a finalist was representative of investor interest/preference and was the dependent variable for our analysis.

We transcribed all the pitches and analyzed all the pitches with two software programs – DICTION and LIWC (Linguistic Inquiry and Word Count) – that analyze the forms of language (types of words and combinations of words) used in the pitches. We used the following variables to create measures of masculine and feminine discourse based on the discourse theory: accomplishment, insistence, satisfaction, individual language for masculine and ambivalence, cooperation, passivity, communal language for feminine. Our dependent variable for this study
were if the pitches were preferred by the venture capital investors, which we measured by whether or not the entrepreneur was selected to be a finalist in the competition. Our controls were the gender of the entrepreneur, attractiveness of the entrepreneur, and market potential of the venture.

RESULTS

Table 1 reports the means, standard deviations, and correlations of the variables, illustrating the differences in mean statistics between samples of male and female entrepreneurs. Hypothesis 1 was not supported as female entrepreneurs were not found to use higher levels of traditional female communicative style (F (1, 185) = 1.17, p>.10). In other words, the core components of gendered language as it relates to masculine communicative style did not correlate solely with men. We found no difference by gender of the entrepreneur and use of gendered language. Further, certain components of masculine communicative style were used more frequently by women. Masculine discursive selections did not correlate with finalist selection, however, feminine discourse negatively correlated with finalist selection (β = -.112, p<.01), so that Hypothesis 2 was partially supported. Hypothesis 3 was not supported as investors did not prefer pitches with masculine language and there was no additional effect for pitches presented by women entrepreneurs (β = .03, p>.10). We address our unexpected findings further in the Discussion section.

DISCUSSION & IMPLICATIONS

Our research illustrates that gender-specific language and communication styles impact the perceived effectiveness of entrepreneurial pitches as measured by investors’ decisions to grant early stage venture funding. We found that men and women do not craft their pitches with different rhetorical devices. Both male and female entrepreneurs use male and female discursive strategies at equal rates. While we hypothesized that masculine language would be preferred by investors, we did not find this to be the case. We did find that investors do not prefer ventures pitched with feminine language, in a feminine discursive style. Finally although women were using language in contrast with their gender, they were not judged more “harshly” by investors such that this contrasting gendered language did not prevent their ventures from being preferred by venture capital investors.

Our findings suggest that in entrepreneurial pitching women and men adopt comparable rhetorical styles. We find that women entrepreneurs display a thorough understanding of the power of the spoken word and therefore do not use discursive style that is expected for their gender when they pitch investors. We believe this indicates that women know that “words matter” and are well aware of the crucial role of their language choices when pitching to VCs for funding. This, in addition to a clear awareness of their (predominantly male) audience, enhances their success in obtaining funding as there was a negative effect for investor interest from pitches that included more feminine rhetoric. This suggests that gender bias by investors, at least during the pitch, may not be towards women but towards entrepreneurs with pitches that use stereotypically feminine language. Such language during the pitch may suggest a less masculine entrepreneur which investors may not view as one that would create a successful venture due to emphasis of masculinity in the profession of entrepreneurship.

Our interdisciplinary study draws on insights from various academic disciplines – entrepreneurship, gender studies, and theories of communicative style, rhetoric and discourse analysis – to contribute to the growing understanding of the role of gender in entrepreneurship by focusing on language selected by entrepreneurs when crafting their venture pitches. Our analyses
not only contribute to a deeper understanding of the power of effective language in venture capital funding outcomes; they confirm the existence of gender-specific language use and its crucial impact on funding decisions. Gender, thus, evolves as an important and not to be overlooked factor in critical resource acquisition situations—an issue which has remained under-researched thus far (Chen et al., 2009; Clark, 2008). Our study provides a basis for further discussion of how and why women may or may not be perceived worth funding, based on the modes of discourse and rhetorical style they tend to prefer.

For our study incorporating gender and language crafting for entrepreneurial pitches, it is crucial to remember the fact that gender is essentially a performance. Gender has been theorized as “something that we do as opposed to something that we are” (Mullany 2009, p. 215). Thus, it should not be considered a dichotomy between male and female or masculine and feminine but rather something “fluid and dynamic” (Mullany 2009, p. 215), determined by conscious choices and contextual considerations. Emphasizing the performative aspects of entrepreneurial pitching returns agency to the speaker—regardless of his/her gender. Agency, the ability to consciously choose from a repertoire of masculine and feminine traits or attributes, increases in rhetorical situations such as entrepreneurial pitches that are guided by set rules, prepared in advance and rehearsed for maximum effect.

Entrepreneurial pitches, as opposed to less prescribed business communication situations, are crafted in advance and guided by a clear set of rules. They have a distinct purpose—to persuade the members of the audience that the pitched venture is worth funding. Designing an effective business pitch (i.e. one that runs a higher chance of winning VC funding) requires awareness of the gendered nature and resulting power of language. Given the role of feminine language from our study, crafting a pitch requires the entrepreneur to have a heightened awareness of the ingredients that constitute “weak” language (as perceived by the intended audience), as well as the conscious effort to avoid such “weak” language. Obtaining venture funding is about actively guiding and positively influencing perceptions in order to achieve the desired outcome. Women are not hindered from investor interest and potentially obtaining funding by avoiding the feminine rhetoric expected of them merely because of their gender when crafting their venture pitches.

**CONTACT:** Lakshmi Balachandra; lbalachandra@babson.edu; (T) (781) 239-6446; Babson College, 231 Forest Street, Babson Park, MA 02457.
### TABLE 1: CORRELATION TABLE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Men Mean</th>
<th>Women Mean</th>
<th>Total Sample Mean</th>
<th>Total Sample St. Dev</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investor Preference</td>
<td>.10</td>
<td>.31</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gender</td>
<td>.14</td>
<td>.34</td>
<td>-.04</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Female Discourse</td>
<td>23.9</td>
<td>21.8</td>
<td>23.6</td>
<td>9.3</td>
<td>-.22**</td>
<td>-.08</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Male Discourse</td>
<td>83.0</td>
<td>68.2</td>
<td>81.0</td>
<td>45.3</td>
<td>.10</td>
<td>-.112</td>
<td>-.11</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Attractiveness</td>
<td>3.0</td>
<td>3.1</td>
<td>3.0</td>
<td>1.1</td>
<td>.12</td>
<td>.04</td>
<td>.15*</td>
<td>.01</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>6. Market Potential</td>
<td>3.3</td>
<td>3.2</td>
<td>3.0</td>
<td>1.2</td>
<td>.14</td>
<td>.08</td>
<td>-.13</td>
<td>.09</td>
<td>.13</td>
<td>1</td>
</tr>
</tbody>
</table>

*p < .05; ** p < .01