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LIFE-COURSE AND ENTRY INTO ENTREPRENEURSHIP: EMBEDDED IN GENDER AND GENDER-EGALITARIANISM



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ABSTRACT

From life course theory individuals' roles in society vary over their life stages. Such roles are gendered to the extent that institutions in society differentially constrain opportunities and differentially assign roles and role expectations to men and women during their life courses. In this study, we explore how different levels of gender-egalitarianism cause different patterns in men's and women's engagement in opportunity-driven entrepreneurship relative to their age. The analysis based on unique data suggests that women's response to increasing gender egalitarianism is equal across life stages while men's response is highly age-graded.

INTRODUCTION

Results from recent studies show that the dynamics of women's entry into entrepreneurship are rather complex. As an example, Klyver et al. (2013) find that when countries with a high concern for gender equality install policies to secure equal rights in the workplace by policing paid maternity, parental and paternity leave, it raises the opportunity costs for women to go into entrepreneurship. In much a similar vein, Thébaud (2015) show that supportive work-family institutions such as maternity leave and subsidized child care are associated with the lower representation of women in early stage entrepreneurship and established business ownership. While insightful, the studies by Klyver et al. (2013) and Thébaud (2015) share an important limitation in treating women as a rather homogeneous group responding to institutional arrangements of which the effects are concentrated around a particular stage in women's life, namely motherhood. In fact, while much is known about entrepreneurial activity of women compared to their male counterparts (Davis and Shaver 2012; Klyver, Nielsen, and Evald 2013; Langowitz and Minniti 2007; Cheraghi & Schött 2015), and while much is known about the impact of age on entry into entrepreneurship (e.g. Lévesque & Minniti 2006; Kautonen et al. 2011; Reynolds et al. 1999), age and gender have mainly been studied separately in entrepreneurship (e.g. Kautonen et al. 2011; Hughes 2005) with a lack of understanding of the age-gender interplay as a consequence. In addition, we see the gendering of entry to entrepreneurship as embedded in institutions that differentially shape the opportunities and constraints for female and male entrepreneurship. In addition, we add to this the notion from life course theory that so are individuals' perceptions and experiences of the different life stages they go through (Mortimer & Moen, 2016). From this view, prevailing cultural beliefs and formal institutional arrangements possibly have differentially gendered effects on individuals' entry into entrepreneurship at different life stages. This study addresses these gaps in the literature by building an institutional life course theory to explain gendered patterns in individuals' propensity to enter into entrepreneurship as dependent on the level of gender-egalitarianism in society.

HYPOTHESES DEVELOPMENT

Life course theory is a multilevel paradigm that considers individuals' aging and age effects in the context of society. It comprises studying patterned trajectories in individuals' lives in relation to time, context, and process. A central focus is on the age-differentiated transitions that occur in individual's lives as the statuses of individuals change in a discrete fashion and with a long-lasting effect (George, 1993; Elder, 1999). Studies of the transition into different career stages have divided the life-course into discrete groups based on observations of life events that has been theorized as significant for individuals' career motivations and opportunities. In this paper, we use two different categories for age. We use a seven-group age-category in line with the categories used by Burt (1991) to analyse the association between age and status in the social structure of networks among individuals). To explore finer level details for age categories we explain each age group antecedence and circumstances based on Becker and Moen (1999) identification of career life course stages. Also, we tested the hypothesis with two separate samples for men and women.

With Burt (1991) the age categories are not theoretically deduced but rather determined from calculus on significant age-graded changes in individuals' networks positions, i.e. to who individuals relate in their social ties. Using this procedure, nine distinct age categories were identified. Within each category, individuals have highly similar contact network positions signifying that they occupy highly similar social statuses. With our focus on the adult population in their working age, we elucidate the two outer categories, namely the categories: "18 and less" and "66+". The remaining seven categories are: 19-24, 25-30, 31-36, 37-46, 47-52, 53-60, and 61-66. Compared to Becker and Moen, these stages fairly represent an early and a later anticipatory stage (18-30), a launching stage (31-36), an early and a late establishment stage (37-52), and an early and a late shifting gears stage (53-64). In the anticipatory stage, individuals are typically unmarried and preparing for their first job while getting their education. In the launching stage, individuals form families; they get married and have children, thus typically highly occupied with both high demands on their newly started professional careers. In the establishment stage, individuals become more settled in their jobs, and at the same time change their family responsibilities somewhat from nursing to raising children. Thus, this stage is typically associated with some relief and some more freedom in individuals' personal and professional life. This freedom typically increases further as individuals move into the "shifting gears" stage, in which families have typically become better financially established, and where their children have now left home. In addition, it is at this stage, that consideration about and planning for retirement starts to take place (Settersten 2004).

Age affecting entry into entrepreneurship

Two opposing mechanisms have been prominent in explaining the association between age and entry into entrepreneurship: risk willingness and accumulation of resources. Several previous studies have argued an inverse U-shaped relationship between age and entry into entrepreneurship (Lévesque & Minniti 2006; Reynolds et al. 1999). First, there is the effect from risk-willingness that dampens the propensity to engage in entrepreneurship. The association between risk-willingness and age in many ways relate to the multiple significant roles that individuals take throughout their life course specifically marriage and parenthood (Zha et. al. 2015; Minola et. al. 2014). As individuals move across the life span they are gradually relieved of some of the obligations by kids leave their nests. At this point in life which individuals preparing for retirement, there may be more to lose if an entrepreneurial endeavor fails, and there is less time to correct for any such misfortunate transitions. Second, there is the increasing accumulation of human and social resources that enhances the propensity to enter entrepreneurship as people get older (Charles, Reynolds and Gatz, 2010). Also, their networks seem to extend increasingly into the public sphere (Burt, 1991), hence becoming more instrumental for entrepreneurial acts such as innovation (Jensen and Schøtt, 2015).

From this reasoning, the inclination toward entry into entrepreneurship increases until a certain point in life in which the effect from risk willingness supersedes the effect from accumulated resources. At this point, the opportunity costs of time from attending to entrepreneurial activities with long-term output become too high (Lévesque & Minniti 2006; Parker 2009). Based on results we hypothesized that:

Hypothesis 1a. The propensity of individuals to become entrepreneurs will increase until individuals transcend from the launching stage into the establishment stage. H1b. From the establishment stage and onwards, the propensity to become an entrepreneur will gradually decline.

Gender moderating the effect of age upon entry

As men and women enter the launching stage, and as they continue to the early establishment stages, both work and family responsibilities become more immense. During these stages women traditionally face more conflicts between their roles in work and family as they enter motherhood (Jennings & McDougald 2007; Pavalko et al. 1993), which make them experience more discontinuity or part time job in their life. But men also experience new roles in the work sphere as they enter fatherhood, traditionally start worrying more about the financial aspects of raising a family. This gendered segregation of the breadwinner roles of men and the care-giving roles of women bring men more privileges to enter entrepreneurship while it for women has an inverse effect (Bradley 2003; Jayawarna et al. 2014a). By aging and decreasing child rearing responsibilities, in particular on behalf of women, previous studies show that the likelihood that women return to universities or labor market is higher in the second half of their life (Moen 1996; Moen Downey and Bolger 1990; Settersten & Mayer 1997). In a similar vein, women may have put entrepreneurial aspirations on hold while giving priority to child caring. If this is the case, we may expect to see a lagged entry of women into entrepreneurship; i.e. that the curve for women entrepreneurship participation will be shifted somewhat more toward these later life stages when compared to the curve for men' entrepreneurship.

With regard to retirement considerations, part-time jobs and discontinued attachment to the job market in earlier stages (for example because of maternity leave and raising children) in many cases causes women to accumulate lower levels of pension funds for older ages than men (Moen 1996). Such shortfalls may motivate entrepreneurship while primarily out of perceptions of necessity rather than opportunity (Weber and Shaper, 2004). Opposite, the temporary looser attachment to career responsibilities during earlier life stages places women in less privileged positions for entrepreneurship as they have accumulated fewer resources to engage in entrepreneurial endeavors at their older ages. In this way, the opportunities to utilize accumulated resources to run a small business may be both less attractive and less feasible to women (Kautonen et al., 2008; Teemu, 2008). We express these expectations in two hypotheses as follows:

Hypothesis 2a. The propensity of women to become entrepreneurs relative to men' propensity will be lower in the later anticipating stage, the launching stage, and the early establishing stage. H2b. Propensity of women to become entrepreneurs relative to men' propensity will gradually increase as individuals' transit into the late establishment stage, early and late shifting gear stages.

Embeddedness in society: gender-egalitarianism

In addition to distinctive experiences of men and women from life courses, gender roles as the production of social and contextual norms and values are considered as an expected way of behavior in regard to individuals' gender (Money 1995). These societal prescriptions influence individuals' decision-making in regard to family and career (Lendon & Silverstein 2012) we found that early egalitarian values decreased the risk of becoming a mother and marrying and increased the risk of graduating college and working in the labor force. A sharp increase in egalitarianism was found between 1971 and 1985 that

was more characteristic of women who graduated college and worked in the labor force. The stall of the post-1985 period was predicted (inversely. In the anticipating stage, higher gender equality associate with less gender differentiated access education, and in general access to important resources for starting a business. In some societies life course events like marriage and becoming a mother have more value than education and entering the labor market for women, and age deadline for transformation to these stages are more restricted. In such societies motherhood and "caregiving" responsibilities are main roles for women, and breadwinners are men (Connell 2005). On the other way, changes towards higher levels of gender equality in post-industrial countries have been associated with changes in timing, process and contexts of life courses which is correlated with decline in number of children and a decline in women's child-care responsibilities, along with other significant changes in the family roles structure, which in turn has influenced both men' and women' pathways of life (Moen 1995). Along with such changes, women', as well as men' expectations of higher gender equality in later stages, are likely to influence their early career choices. As an example expectations of more equal participation of men and women in child rearing and other family responsibilities may spark higher interests of women in starting their own business whereas it may give men second thoughts. Because of the decline in women's responsibilities for child-care women find more opportunities for education and work, hence accumulating more resources at this early life stage. Opposite men's responses to gender equality occur in the shape of new fatherhood and changes in men's involvement in the family (McMahon 1999) in the way that men desire more balance between work and family (Connell 2005; Morrell 2001).

In the launching and early establishing stages, women will still for biological reason assume higher responsibilities for the initial stages of parenthood, despite increasing gender equality. These responsibilities will presumably still cause some dampening on their propensity to engage in entrepreneurial activity. However, we expect that this dampening effect will decrease with higher levels of gender equality. We also expect that with the increased variation in the timing of parenthood, the dampening effect of parental responsibilities on both men' but in particular women's propensity to engage in entrepreneurship will be more equally distributed across life stages. We express these expectations in Hypotheses H3a and H3b:

Hypothesis 3a. Increasing gender egalitarianism will boost women' entry into entrepreneurship in anticipating, launching, and in the early establishing stage.

H3b. Increasing gender egalitarianism will dampen men' entry into entrepreneurship in the later anticipating stage, launching stage, and in the early establishing stage.

METHOD

In order to test our hypotheses, we develop a unique dataset combining individual level data on age and gender from Global Entrepreneurship Monitor (2009-2014) with societal level data on gender-egalitarianism from World Value Survey (WVS). Our dataset consists of 627,867 adults in the age of 18 to 64 embedded in 71 countries. The dependent variable is an adult's population in "early-stage opportunity-driven entrepreneurial activity" (TEAOpp) in GEM survey, a dichotomy based on several main questions asking the adults. Independent variables at the individual level are age and gender as reliable single-item variables obtained from GEM. We used 7 groups of age based on study event of age. These seven groups of age are binary (37 to 46 age group is the reference group). Gender is another independent variable in this research with a binary scale that is coded 0 for male and 1 for female. Gender-egalitarianism index, the independent variable in macro level, constructed from World Values Survey by calculating the mean of four items (standardized items) for each respondent and then mean of means for each country. We obtained a satisfactory reliability ($\alpha = 0.81$). Four items represent societal norms and expectation toward

women roles in family and society. The most appropriate modeling technique for our tests is hierarchical linear models (HLM) with a Bernoulli distribution (Raudenbush & Bryk, 2002).

RESULTS

Table 1 shows three models with 7 age groups. Model 1 shows the main effects of age, gender, and gender-egalitarianism on entry into entrepreneurship. It shows that propensity to engage in entrepreneurship is larger in the ages 18-36 than in the reference category between 37 and 46 years. Also, we can see that entry into entrepreneurship is less in the years 47-64 as compared to the reference category. From the two-way interaction model in Table 1, there are only scant indications of gendered age-effects on entry into entrepreneurship on age category from 25 to 30 which is marginally significant. The negative coefficient is suggestive that when comparing to the reference age category, the higher entrepreneurial activity in the ages between 25 and 30 years is more elaborate for men than for women. Although only weakly supported by the statistical model, this result corresponds well with the anticipations expressed in Hypothesis 2a that gender differences in entrepreneurial activities would be more pronounced around the launching stage and the years anticipating and preparing for transitions into parenthood. Finally, there seem to be only marginal age-graded differences in the gendering of entrepreneurial activity when comparing the early establishing stage and later life stages in which parental responsibilities can be assumed to decline. Thus, there is no support from model 2 for Hypotheses H2b. In model 3 shows that the interaction terms associated with gender, egalitarianism and the age categories 47-52, 53-60, and 61-64 are positive and significant, while positive and marginally significant for 18-24 years. These results suggest that the interplay between age, gender and gender-egalitarianism play a particular role for individuals' entry into entrepreneurship in the ages between 37 and 46, that is, in the early establishment stage. Seemingly, men' and women' entry into entrepreneurship is differentially affected by gender egalitarianism.

Turning to the results from the regressions on the split samples (Table 2) we notice from the interaction models in models 2 that for women the interaction terms between age-group and gender egalitarianism are all insignificant. This is surprising because it suggests that the three-way interaction effects identified in Model 3 (Table 1) are primarily driven by men' responses to changing levels of gender egalitarianism. The negative significant interaction coefficients for the individual age categories and gender egalitarianism suggest that men' entry into entrepreneurship in the early anticipating stage decrease relative to the reference category. On the contrary men' propensity to enter into entrepreneurship become increasingly smaller compared to the reference age category when men transit into the late establishing stage and the shifting gear stages. This implies that the increase in men's entry into entrepreneurship, which is accommodated by increasing gender egalitarianism, is mainly located in the group of men in the early establishing stage.

DISCUSSION AND IMPLICATIONS

Results from multilevel analysis and cross-level interactions suggest that the age-graded distributions of men' and women' entry into entrepreneurship are fairly similar. However, there are noteworthy differences in how women's and men's entry into entrepreneurship are affected by different levels of gender-egalitarianism when looking at different life stages. Surprisingly, results suggest that women's response to increasing gender egalitarianism is equal across life stages while men's response is highly age-graded. Together our study contributes to prior studies on how gender equality impacts individuals' entry into entrepreneurship by theorizing and empirically showing how this is contingent on life stages.

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Table 1. Entry affected by age, gender and egalitarianism (age is here as seven series of age intervals) Two-level logistic modeling 672,867 adults in 71 countries

Control Variables	Model1	Model2	Model3
	Main effects	2wayinteraction	3way interaction
Age 18 to 24	0.31***	0.31***	0.33***
Age 25 to 30	0.39***	0.41***	0.42***
Age 31 to 36	0.26***	0.24***	0.25***
Age 37 to 46	Ref	Ref	Ref
Age 47 to 52	-2.25***	-0.26***	-0.24***
Age 53 to 60	-0.47***	-0.48***	-0.44***
Age 61 to 64	-0.73***	-0.74***	-0.63***
Gender	-0.24***	-0.24*	-0.22***
Egalitarianism	0.20*	0.20	0.19*
Age 18 to 24 * Gender	-	-0.0008	-0.02
Age 25 to 30 * Gender	-	-0.05*	-0.06*
Age 31 to 36 * Gender	-	0.03	0.02
Age 37 to 46 * Gender	-	Ref	Ref
Age 47 to 52 * Gender	-	0.03	-0.006
Age 53 to 60 * Gender	-	0.04	0.002
Age 61 to 64 * Gender	-	0.02	-0.07
Two way interactions age *egalitarianism and gender * egalitarianism			
Age 18 to 24 * gender * egalitarianism	-	-	0.06*
Age 25 to 30 * gender * egalitarianism	-	-	0.03
Age 31 to 36 * gender * egalitarianism	-	-	0.02
Age 37 to 46 * gender * egalitarianism	-	-	Ref
Age 47 to 52 * gender * egalitarianism	-	-	0.09*
Age 53 to 60 * gender * egalitarianism	-	-	0.10*
Age 61 to 64 * gender * egalitarianism	-	-	0.22*
Intercept	-2.88***	-2.88***	-2.88***

* significant at .05 level; ** significant at .005 level; *** significant at .0005 level

Table 2. Entry affected by age intervals, gender, and egalitarianism for two samples men and women in 71 countries

Control Variables	Women Sample		Men Sample	
	Main effects	2way interaction	Main effects	2way interaction
Age 18 to 24	0.31***	0.32***	0.29***	0.31***
Age 25 to 30	0.36***	0.37***	0.40***	0.41***
Age 31 to 36	0.28***	0.28***	0.24***	0.25***
Age 37 to 46	Ref	Ref	Ref	Ref
Age 47 to 52	-0.24***	-0.24***	-0.26***	-0.23***
Age 53 to 60	-0.45***	-0.44***	-0.48***	-0.43***
Age 61 to 64	-0.74***	-0.73***	-0.72***	-0.61***
Egalitarianism	0.27*	0.28*	0.15*	0.14*
Age 18 to 24 * egalitarianism	-	-0.05	-	-0.06**
Age 25 to 30 * egalitarianism	-	-0.03	-	-0.03
Age 31 to 36 * egalitarianism	-	0.001	-	-0.004
Age 37 to 46 * egalitarianism	-	Ref	-	Ref
Age 47 to 52 * egalitarianism	-	0.01	-	-0.07**
Age 53 to 60 * egalitarianism	-	-0.01	-	-0.11***
Age 61 to 64 * egalitarianism	-	-0.01	-	-0.24***
Intercept	-2.78***	-3.26***	-2.52***	-2.51***

* significant at .05 level; ** significant at .005 level; *** significant at .0005 level