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ARE FEMALE ENTREPRENEURS RESILIENT TO THE STIGMA OF ENTREPRENEURIAL FAILURE?

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Principal Topic

There is a shift in the social behaviors of men and women such that differences in gendered roles and stigma attitudes in domains such as entrepreneurship have started to dissipate (Eagly & Diekman, 2003); particularly, as more women start new ventures. Yet, despite this shift; there still are gender gaps in the startup of entrepreneurial ventures that have been observed in many countries (cf. Minniti, 2010). Over the years, scholars have investigated but have not been able to fully explain this gender gap in their studies of differences in human capital factors such as education levels and intentions (Fischer, Reuber & Dyke, 1993); or on financial factors such as access to venture capital and credit terms (Coleman, 2000); or on the access to social capital at various stages of the entrepreneurial process (de Bruin, Brush & Welter, 2007).

Contributing to the difficulty in understanding gender gaps in entrepreneurial start-up activity is the stigma from negative social judgments of the attributes and activities of entrepreneurs and the ventures that they create (Goffman, 1963; Jones, Farina, Hastorf, Markus, Miller & Scott, 1984). In particular, the literature has noted that in many countries, female entrepreneurs are associated with stigma. The literature also noted that in many countries various forms of entrepreneurial failure are associated with stigma as well. But what does this mean for many entrepreneurs who are associated with the double stigma of being female and also of being an entrepreneur who has engaged in failed entrepreneurial activities? The answer is that both of these social statuses require negotiation with stakeholders (Settles, 2004). Interestingly, stigma empowerment models (Shih, 2004) proposed in the social psychology literature would suggest that female entrepreneurs learn from their experiences negotiating stigma at various stages of the entrepreneurial process and because of these lessons, they are likely to be more resilient at reentry than their male counterparts in high stigma contexts.

Method

Building on the stigma and female entrepreneurship literatures, a theoretical model of differences between male and female entrepreneurs in their reentry to entrepreneurship in high and low stigma contexts is developed and tested across 15 GEM middle/high income countries. We hypothesized that: there is a gender gap in reentry across the countries amongst the failed entrepreneurs in our study; and that this gap is of a smaller proportion in countries where the stigma of failure is high; and, of a greater proportion in countries where the stigma of failure is low. We test these hypothesis using logistic multilevel modeling techniques.

Results and Implications

Our hypotheses were supported. Our findings suggest the stigma that females face as entrepreneurs may positively increase their resilience to bounce back from entrepreneurial failure to start new ventures. These findings provide some insight into possible reasons why the GEM results show a gender gap across countries that is smaller among early stage entrepreneurs than established business owners.

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