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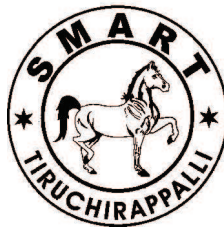
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GENDER DIFFERENCES AT THE MAIN STAGES OF ENTREPRENEURSHIP

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Abstract

This paper proposes to analyse the existing differences in women's and men's style of entrepreneurship. The examined the levels of women's and men's participation in entrepreneurial activity in modern national economies. The study dealt with the problem of determining the indicator values, characterizing the early stage of entrepreneurship, mature entrepreneurship as well as quitting business activities. The results of the survey, conducted in 59 countries, through the Global Entrepreneurship Monitor Project, were used as initial information. In the course of the research, nine indicators, characterizing such stages as start-up and mature entrepreneurship, were examined, along with the cessation of this activity. The results indicated that there was gender gap between the indicators of entrepreneurship in majority of countries, implying that women participated in it to a lesser extent than men.

Keywords: *Stages of Entrepreneurship, Entrepreneurs and Gender Differences.*

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1. Introduction

Nowadays, entrepreneurship is one of the most important factors of economy in many modern countries. It is entrepreneurs who own about 93% of non-financial companies in the European Union and other economically developed countries and they employ about one half of the workforce (**Kraemer-Eis et al., 2017**). Starting new businesses increases the efficiency of national economies, strengthens market competition, fosters economic growth, increases the level of employment and creates social stability (**Simon-Moya et al., 2016; Gupta and Tripathi, 2020**). Business initiative is a vital element for determining competitiveness of any economy (**Tomovska Misoska et al., 2016**). Entrepreneurs play an essential role in promoting technological progress and innovations in modern countries (**Selvam et al., 2021; Zygmunt, 2017**). The importance of entrepreneurs notably increases during the times of economic crises since small and medium-sized businesses can adapt to changes in market environment in a better way (**Adapting in Tough Times, 2013**).

Taking this into consideration, problem for many developed and developing economies is to support entrepreneurs and provide all-round support to people, who start their own businesses or who are self-employed, and also to arouse public interest in this activity. In view of the growing role of gender studies in entrepreneurship (**Carlianne et al., 2016; Gill, 2018**), this article focuses on the analysis of the existing differences in women's and men's styles of entrepreneurial activity. Our study was devoted to the problem of men and women participation in modern entrepreneurship. Entrepreneurship is a dynamic process in which individuals start, carry out this activity, and also stop participating in it. The study of gender

aspects of entrepreneurial process is important from both theoretical and practical points of view. It provides vital information on the operating of the business sector, at national and regional levels.

2. Review of Literature

The analysis of the results of the scientific research made it possible to single out three main stages of entrepreneurship. At the first stage, there are people who started business activities (**Korent et al., 2015; Lee and Kim, 2019; Tripathy, 2019**). It should be noted that start-up entrepreneurs are people, who have been in business for less than three and a half years. For the successful activity of novice entrepreneurs, as the publications of recent years show (**Marques, 2019; Faria et al., 2021**), it is necessary to have easy access to markets, the possibility of borrowing funds, government support and developed business infrastructure. Scientific research (**Ahl and Nelson 2010**) showed the differences between men and women, starting new businesses. Women carry a heavy burden, associated with household and family work. Therefore, one of the significant advantages of entrepreneurship, in comparison with hired work for women, is the ability to independently plan their work schedule. That is why the number of women starting entrepreneurship in recent decades, has grown significantly (**Holienka et al., 2016**).

The second stage corresponds to mature (sustainable) entrepreneurship (**Markman et al., 2016; Munoz and Cohen, 2017**). Mature entrepreneurs are entrepreneurs who have been in business for more than three and a half years and they have achieved success in their activities (**Meyer and Meyer, 2019; Korent et al., 2015**). For mature entrepreneurs, it is characteristic that along with maximizing profits, their activities are also aimed at achieving social

and environmental values (Brieger et al., 2021; Farny et al., 2019). An analysis of previous studies has shown an increase in the role of women's entrepreneurship, in both developing and developed countries. Developing countries are characterized by women's interest in entrepreneurship as a tool to liberate themselves from poverty, discrimination and patriarchal restrictions as well as to achieve empowerment (Banihani and Jawad, 2017). In developed countries, women's entrepreneurship acts as a tool for gaining independence (including financial), meeting their needs, raising social status, overcoming organizational and institutional obstacles as well as ensuring the well-being of their families (Pettersson et al., 2017).

Quitting the business is associated with the third stage, i.e. the cessation of entrepreneurial activities (Ucbasaran et al., 2012; Wennberg and De Tienne, 2014). In the article by Jansen, 2020, the exit of entrepreneurs from their businesses is understood as selling their business and receiving money. The sale of a business is especially relevant for entrepreneurs, who want to minimize their risk in the future. The sale of a business allows an entrepreneur to turn the costs of his labor and intelligence into specific income (Wennberg and De Tienne, 2014). In paper by Marjanski and Sulkowski, 2019, such a variant of entrepreneurs' exit from their businesses and transferring them to family members (often children), was investigated. Both the sale of their business and the transfer to family members were associated with the so-called positive reasons for the termination of entrepreneurs' activities. The retirement of entrepreneurs can also be attributed to this option, as indicated in the study (Morris and Soleimanof, 2020). At the same time, there are a significant number of entrepreneurs who leave their business for

negative reasons. These reasons are divided into external and internal. External causes are caused by global and local crisis phenomena in the economies, changes in the institutional sphere as well as problems in the marketing of goods and services, produced by entrepreneurs (Koladkiewicz and Wojtyra, 2016). The main internal reasons for the exit of entrepreneurs from their businesses, according to researchers, are the difficulties of implementing the set goals, difficulties in managing production processes, lack of financial resources as well as low production efficiency (Ucbasaran et al., 2012).

3. Statement of the Problem

The development of entrepreneurship, as mentioned above, is important for many countries. Therefore, the study of people's participation in entrepreneurship seems to be an urgent research area, for both developed and developing countries. The greatest interest, as the literature review shows, is the assessment of indicators, characterizing the three main stages of entrepreneurial activity. It should be noted that in previous scientific studies, gender differences, at various stages of entrepreneurship, were not examined. The main problem, to which this study attempts to provide theoretical and empirical answers, is to assess the participation of women and men in entrepreneurial activity and to determine the presence of gender differences in modern national economies.

4. Need of the Study

The need for this study was based on the desire to see the role of women and men in creating new businesses, owning established businesses and also how often entrepreneurs exit their businesses. This study has provided new information about the gender aspects of entrepreneurship at the present time. The information obtained will allow governments,

business professionals and researchers in the field of entrepreneurship, to make scientifically sound decisions, to support entrepreneurs and develop this essential activity. This study would contribute to the knowledge about the main stages of the evolution of entrepreneurs and fills in the existing gaps in the study of gender characteristics of entrepreneurship in different countries.

5. Objective of the Study

This research examined the participation of women and men in entrepreneurship in modern national economies. The research proposes to solve the problems of determining the values of indicators, characterizing the initial stage of entrepreneurship, mature entrepreneurship as well as the exit of entrepreneurs from their businesses.

6. Hypotheses of the Study

H1: In many countries, there is a gender gap in entrepreneurship, that is, women are less likely to be entrepreneurs than men.

H2: The ratio of women and men among new entrepreneurs is greater than the same ratio for mature entrepreneurs, that is, the proportion of women entrepreneurs has increased in recent years.

H3: Indicators characterizing entrepreneurial activity have significant differentiation by country.

7. Research Methodology

7.1 Sample Selection

The sample of the study consisted of indicators, characterizing entrepreneurs in 59 countries, who were at each of the three stages of entrepreneurial activity.

7.2 Sources of Data

For information, the study used the results of survey of adults (aged 18 to 64 years), which

were summarized and reflected in the report on the **Global Entrepreneurship Monitoring Project (2019)**. More than 2000 respondents participated in the survey.

7.3 Period of the Study

The empirical data, presented in the study, describe the participation of adults in three stages of entrepreneurial activity in 2018.

7.4 Tools used in the Study

The density functions of the normal distribution were used to analyze the empirical data. The development of these functions confirmed that the values of indicators by country were distributed in accordance with the normal law. Such functions, without subsequent calculations, allowed us to estimate the average values of indicators for the countries under consideration as well as the range of changes in values for majority of countries. The methodology for developing the density functions of the normal distribution and their use for estimating the values of indicators, is given in the paper by **Pinkovetskaia et al., (2021)**.

8. Data Analysis

Values of indicators, characterizing women and men who are at three main stages of entrepreneurship, are shown in **Table-1**. The average percentage of women, who started business in 2018 in the countries under review, was 4.34%. The corresponding figure for men was slightly higher at 6.12%. That is, every twenty-third woman and every sixteenth man belonged to the first group of entrepreneurs. The trend of exceeding this indicator for men was typical for many countries. Accordingly, the average value of the ratio of indicators, describing the intentions of women and men to create their own businesses, was 0.73. The average proportion of women, who were mature entrepreneurs, reached 5.7% in 2018. That is,

every seventeenth woman belonged to such a category of entrepreneurs. For men, the value of the corresponding indicator was significantly (1.8 times) higher and it was almost 10.27%. Consequently, almost every tenth adult male, in the countries under consideration, was a mature entrepreneur. The average ratio of indicators, that characterized women and men who were mature entrepreneurs, was 0.61 in 2018. The average proportion of women, who stopped doing business in 2018, was almost 2.68%. The value of the same indicator for men was 1.25 times higher, at 3.35%. Accordingly, the average ratio of the indicator values, describing women and men who left the business, was 0.85.

Their exit from business allowed us to draw the following conclusions:

- The average duration of women's entrepreneurial activity was 3.7 years;
- The average duration of men's entrepreneurial activity was 4.8 years.

The specific weights of men belonging to start-up, mature and retired entrepreneurs were, on an average, higher in these countries compared to the specific weights of women in the number of the corresponding strata of the population. Hence the **H1: There is a gender gap in entrepreneurship in most countries, that is, women are less likely to be entrepreneurs than men**, was accepted. Comparison of the average values of indicators 3 and 6, allowed the researchers to conclude that the ratio of women and men among new entrepreneurs (0.73), was greater than the same ratio for mature entrepreneurs (0.61). Therefore, the **H2: The ratio of women and men among new entrepreneurs is greater than the same ratio for mature entrepreneurs that is the proportion of women in the number of entrepreneurs has increased in recent years**, was also accepted. To test the third

hypothesis, about the differentiation of indicators by countries, an analysis of the scope of variation of each of the indicators was carried out. Values of variation indices showed a significant (more 33%) differentiation across the countries of all nine indicators. Therefore, the **H3: Indicators characterizing entrepreneurial activity have a significant differentiation by country**, was not rejected.

9. Findings of the Study

The results of this study showed that in majority of countries, there were gender differences among entrepreneurs, who were at different stages of entrepreneurial activity, in 2018. It implied that women participated in entrepreneurship to a lesser extent than men.

10. Suggestions

The results of the study have certain theoretical and practical significance for governments and entrepreneurs. The methodological approach, to the assessment of gender differences in entrepreneurship, presented in the article, can be used in pursuing further research. The new knowledge gained is of interest and can be used in the educational process at universities.

11. Conclusion

The purpose of the study, which was to evaluate indicators describing men and women, who were at one of the three stages of the evolution of entrepreneurship according to survey data in 2018, was achieved. The scientific novelty and originality of the study are presented below. The assessment of men and women's participation in entrepreneurship as well as the termination of this activity, was carried out for 59 countries. The distribution of nine indicators, describing the gender differences observed at each of the three main stages of entrepreneurship, was modeled. It is proved that

the share of women, at each of the three stages of entrepreneurship in many countries, was lower than that of men. It is shown that the highest values of indicators were typical for the second stage of entrepreneurship. The values of the indicators, for the initial stage of entrepreneurship, were lower. The proportion of women and men, who terminated their businesses, was even lower. All three hypotheses, during the research, were proved.

12. Limitations of the Study

The study had limitations on empirical data, due to the fact that only 59 countries were considered.

13. Scope for Further Research

It is assumed that future studies may examine changes in the entrepreneurial activity of women and men, during the Covid-19 pandemic.

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Table-1: Results of Density Functions of the Normal Distribution describing Entrepreneurs and Gender Differences during the Study Period of 2018

Indicators numbers	Medium values	Values in most countries
1	2	3
proportion of women who started business activities in the number of adult women (Indicator 1), %	4.34	1.49-7.19
proportion of men who started business activities in the overall number of adult male population (Indicator 2), %	6.12	2.77-9.47
values ratio characterizing women and men who started business activities (Indicator 3)	0.73	0.34-1.02
proportion of women who are mature entrepreneurs in the number of adult female population (Indicator 4), %	5.70	2.07-9.33
proportion of men who are mature entrepreneurs in the overall number of adult male population (Indicator 5), %	10.27	4.02-16.52
values ratio describing women’s and men’s mature entrepreneurship (Indicator 6)	0.61	0.40-0.82
proportion of women who quitted the business in the number of adult women (Indicator 7), %	2.68	1.11-4.25
proportion of men who quitted the business in the overall number of adult male population (Indicator 8), %	3.35	1.71-4.99
values ratio describing the participation of women and men who quitted the business (Indicator 9)	0.85	0.49-1.21

Source: Primary Data computed using Statistica (2018).