

# An Empirical Study into the Contribution of the Female Entrepreneur to Small Business Start-ups in Ireland

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This thesis is submitted in partial fulfilment of the requirements for achieving a Masters in Strategy and innovation management "Don't limit yourself. Many people limit themselves to what they think they can do. You can go as far as your mind lets you. What you believe, remember you can achieve."

Mary-Kay Ash, Founder of Mary-Kay Cosmetics

#### Signed Statement

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#### Abstract

The objective of this research was to investigate the contribution that the female entrepreneur makes to small business start-ups in Ireland. The investigation was limited to Ireland as the author felt that this was a sufficient geographic area for this particular research. Creating an environment where gender equality is practised by all is an important focus for the future of female entrepreneurship in Ireland and worldwide. Through the examination of various studies including previous literature, several features were identified such as barriers, challenges and opportunities of the female entrepreneur.

Initially exploratory research was conducted through a review of the literature and through three in-depth interviews. From this the researcher gained a greater insight into the beliefs and thoughts of the average female entrepreneur. All interviewees were practising entrepreneurs.

Following the exploratory research, questionnaires were utilised to greater grasp the beliefs of a wider range of female entrepreneurs. Questionnaires were sent to 40 people in total with 77.5% of participants responding to the questionnaire. Based on research conducted throughout this research, areas such as gender inequality, barriers to entry such as business closures due to recessionary times and the participation rates of the female entrepreneur were identified.

## Acknowledgements and Dedications

- First of all I would like to thank my family and friends for their love and support throughout this year. I know it was tough on them too and I sincerely appreciate all they did for me.
- I would like to thank my research supervisor Mr. Ivan McPhillips for all his help and support through this process. Especially in the last couple of months when his help was greatly needed and appreciated.
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# Chapter One

# Introduction

#### Introduction

The aim of this research is to investigate the female entrepreneur's contribution to small business start-ups in Ireland. The rate of female participation will be assessed and discussed. In addition it will establish whether or not equal rights are given to both genders.

#### 1.2 Overview

Female entrepreneurship has become more important to the success of the Irish economy than ever before. The recent economic crisis which has been put upon on our country has led to this result. In the past when the question of entrepreneurship in Ireland arose, it is fair to assume that people thought of the many men who have broken down the barriers to achieve entrepreneurial success. Nowadays, it is fair to say that the numerous female initiators, who have had equal success in similar business areas, are thought of as primarily equal participants.

The European Commission, in the past twenty years in particular, has taken a proactive approach to ensuring that gender equality is enforced throughout the European Union. This has acted as a stepping stone also for aspiring female entrepreneurs. By offering incentives, grants, equal rights and increased acknowledgement of female initiatives, the EU has helped to breakdown some barriers that potential female entrepreneurs may have previously faced. The Global Entrepreneurship Monitor also puts great emphasis on women's contribution to entrepreneurship in specific countries such as Ireland. This will be discussed in further detail in Chapter Two of this research paper.

A fundamental right which must be enforced is that of equality amongst male and female entrepreneurs throughout the EU and the rest of the world. It is stated that this is "a necessary condition for the achievement of the EU objectives of growth, employment and social cohesion".<sup>1</sup> Although inequalities still exist, the EU has made significant progress over the last decades in achieving equality between women and men. This is primarily due to increased encouragement from the EU to enforce equal treatment legislation, gender mainstreaming and specific measures for the advancement of women. This included programmes such as the Community Framework Strategy on Gender Equality (2001–2005).<sup>2</sup>

The traditional role of a woman is that of a homemaker, carer or mother. In the last several decades this has changed. Many have continued to carry on their family life whilst pursuing further career opportunities while others focus primarily on the work. Although to have a successful career does not necessarily mean giving up all hope of having a family. Statistical information shows, that there are now twice as many women working as compared to the 1950's, 70% in clerical or secretarial occupancies while 30% work in managerial roles (Socrates, 2005). While the exact number of female entrepreneurs is difficult to establish it is said to be between 15%-18% in Ireland.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> European Commission, 2008, Employment, Social Affairs and Equal Opportunities, http://ec.europa.eu/social/main.jsp?catId=418 retrieved on the 1<sup>st</sup> of January 2010

<sup>&</sup>lt;sup>2</sup> Socrates, 2001–2005, Community Framework Strategy on Gender Equality, Institutional Framework of Gender Equality, <u>http://www.gender-equality.webinfo.lt/results/european\_union.htm</u> retrieved on the 13th of March 2010

<sup>&</sup>lt;sup>3</sup> Henry, Colette, 2008, Head of Department of Business Studies, Female Entrepreneurship in Ireland, PowerPoint Presentation, Centre of Entrepreneurship Research, www.dceb.ie/download/1/ColetteHenry.ppt retrieved on the 12<sup>th</sup> of December 2009

1.3 Objectives

#### 1.3.1Primary Objectives

The main objective of this research is to investigate the female contribution to business start-ups in Ireland.

#### 1.3.2 Secondary Objectives

The secondary objectives were established to offer a wider perspective on the subject of female entrepreneurship. The secondary objectives of this research are as follows:

- To determine the barriers of entry into the business industry for the female entrepreneur
  - Challenges faced from others
  - Family responsibilities
- Female & Male Entrepreneurs
  - Perform a comparative analysis of the rate of entrepreneurship for both genders and state the reasons for each to start their own businesses and their differing traits

Irish Entrepreneurs & Foreign Entrepreneurs

- A brief comparative analysis on available statistical information
- Develop a questionnaire to establish the opinions of females on this subject and their views
  - What characteristics and traits they feel were advantageous in their pursuits
  - Challenges that they feel they faced

#### 1.4 Methodology

Research for the purpose of this thesis will involve an exploratory investigation encompassing three in-dept interviews with industry experts with an aim to gain insight into their opinions on the aforementioned topic and ultimately to validate the research carried out.

Furthermore, a questionnaire is to be utilised. It is felt that this manner of research will prove the most effective in securing an industry based outlook on the objectives that have been set out. The use of quantitative research is to be employed. Industry statistics available from such reports as the Global Entrepreneurship Monitor 2004 – 2008 and numerous European Commission Reports will fulfil the quantitative aspects of this research. These statistics will be shown in subsequent chapters of this research.

Due to the extent of this research, books will be used to gain a greater grasp of the topic area. Whilst the primary research will prove to be the foundation for the thesis, the secondary research is a vital contribution. Books, journals and internet sources will be used in order to expand the research further. There are vast amounts of information available and the author intends to use all available sources.

#### 1.5 Scope and Limitations

The subject of entrepreneurship as a whole is very broad and encompasses a wide range of issues and topics relating to the business environment as a whole. Thus to limit the scope the decision was made to focus primarily on the concept of female entrepreneurship and the contribution that they make to the business economy in Ireland primarily.

In relation to time constraints, the research has taken place over an eleven month period commencing in October 2009 until its due date in September of 2010. Unfortunately, due to the heavy workload and schedule of the MBS course the majority of research was completed in the last three months prior to this due date.

A primary limitation that was of concern was the return rate of the questionnaires as in previous cases of this manner the return rate had been very low. It was felt that the research may be affected if the return rate was not of a high standard and possibly that the findings of this research would have been affected.

The interviews that were carried out were of a concern also. It is of the greatest importance that the people who were chosen to complete these interviews presented the appropriate traits that were needed to establish relevant results.

#### 1.6 Overview of Chapters

#### 1.6.1 Chapter Two

Chapter two provides an insight into the world of entrepreneurship. It looks at the evolution of entrepreneurship from its beginning in the early 17<sup>th</sup> century through to today. The focus in this chapter was on the industry as a whole. It focuses on the characteristics of the entrepreneur, the barriers that have been a challenge to some and the social and ethical responsibilities of these entrepreneurs. Both the male and female entrepreneur is discussed. The differences and similarities are identified and discussed. Secondary research is used to give a greater background to the entrepreneur. Legislative steps which have been installed are also clearly stated and the benefits of these steps are examined.

#### 1.6.2 Chapter Three

The focus of chapter three is that of the Irish and Foreign entrepreneur. It identifies the various successful agencies set up to aid in increasing the numbers of working female entrepreneurs. The numerous European institutes such as 'WIN' are discussed and the beneficial services provided are identified. Statistical information, provided by the Global Entrepreneurship Monitor, show entrepreneurial figures such as statistics reflecting the economic conditions where there is a significant decline in the number of people perceiving good opportunities to start a new business - down to 27% from 46% in 2007. The findings of the 2008 report confirm that culture and social norms remain broadly positive towards entrepreneurship and that the aspiration among people to become an entrepreneur in the medium term remains strong. This research also notes that in more challenging times, there is an increase in the numbers turning to entrepreneurship as a means of creating employment.

#### 1.6.3 Chapter Four

Chapter Four details the design and implementation of the research method that was used in this research. Secondary research was conducted and took the form of a literature review. Primary research was also conducted in two stages. The first stage took the form of exploratory in-depth interviews, and the second stage took the form of descriptive survey questionnaires. This chapter also discusses the selection process of a sample for the research. The participants were limited to only female entrepreneurs. There was no age limit placed on the target sample. The different methods of research were clearly identified and the methods chosen by the author were stated.

#### 1.6.4 Chapter Five

Chapter five presents the core findings of the research; these findings are based on the respondent profile, research and in-depth interviews. A respondent profile was deduced from the analysis of the findings. As previously stated, all respondents of this research were limited to only female entrepreneurs with no age limit. Various results were taken from this chapter. The main challenges faced were deduced to be financial assistance from government agencies and family responsibilities.

#### 1.6.5 Chapter Six

Chapter six discusses the conclusions of this research, as conclusions were deduced from all aspects of the research. These conclusions were largely based on the objectives which had been determined at the beginning of the research process. In addition to this a number of recommendations are made for entrepreneurs in this chapter, these recommendations include suggestions for female entrepreneurs and entrepreneurs in general. Recommendations are also made in this chapter for future research.

# Chapter Two Literature Review

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#### 2.1 The Nature and Development of Entrepreneurship

A definition of an Entrepreneur is 'someone who assumes the financial risk of the initiation, operation and management of a business'. <sup>4</sup> The term entrepreneur originates in France and directly translates to 'between-taker' or 'go-between'. By the 17<sup>th</sup> century an entrepreneur became a person who entered into a contract and took on the financial risk that goes along with running a business. Before this an entrepreneur could be best described as an actor or a person who ran large production projects. <sup>5</sup> "To destroy the existing economic equilibrium in the act of creative destruction.... And to profit from that new order" (Schumpeter , 1934).

The entrepreneurial experience is filled with enthusiasm, frustration, anxiety and hard work. There is a very high failure rate and both the financial and emotional risk can be very high (Hisrich and Peters, 2009). Entrepreneurship has resulted in millions of businesses being started worldwide with over 1 million being started in the USA each year alone.

"Entrepreneurship, rigorously defined, refers to the creation of a new economic entity centred on a novel product or service or, at the very least, one which differs significantly from products or services offered elsewhere in the market place" (Curran and Stanworth, 2003).

#### 2.1.1 Characteristics of Entrepreneurs

There are certain characteristics and traits that are synonymous with entrepreneurs. These traits and characteristics aid them in making their individual business ideas a success. They can possess both desirable and undesirable characteristics which will

http://www.entrepreneur.com/encyclopedia/term/159078.html retrieved on the 21st of May 2010,

<sup>&</sup>lt;sup>4</sup> Entrepreneur Connect, Entrepreneur media, 2010,

<sup>&</sup>lt;sup>5</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One

be discussed in further detail. Below is a table including the main characteristics which the average entrepreneur is deemed to possess.

Risk Taker	Creativity
Innovator	Ability to Spot an Opportunity
Individualistic	Organisational Skills
Commitment	Motivation
Leadership	Intelligence
Locus of Control	Capacity to Inspire

Table 1: Traits and Characteristics of the average entrepreneur

Source: Deacons and Freel, 2003, Entrepreneurship and Small Firms, Most desirable Characteristics

The traits outlined in table 3 are desirable traits which any entrepreneur would like to exhibit. "Entrepreneurship is risky mainly because so few entrepreneurs know what they are doing" (Drucker, 2007). Possessing these traits is a step in the right direction for many potential entrepreneurs as there are many who hold undesirable traits which may hinder them in their quest for success. These are listed in table 4 below:

Table 2: Undesirable characteristics of entrepreneurs

Invulnerability	Being too Macho
Anti-authoritarian	Impulsiveness
Outer Control	Perfectionist
Know-it-all	Unmotivated

Source: Deacons and Freel, 2003, Entrepreneurship and Small Firms, Most Undesirable Characteristics

2.2 Types of business Start-ups

There are three main types of business start-ups that the entrepreneur will focus on. These are listed in table 1 below:

#### Table 3: Types of Start-ups

Type of start-up	No. of Employees	Growth prospects
Lifestyle Firm	30-40	Little growth opportunities
Foundation Company	40-400	Draws little outside attention
High-Potential Venture	500 or more	Rapid growth

Source: Hisrich and Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs

The lifestyle firm listed in table 1 is privately held. It usually achieves only limited growth and exists primarily to support the owners. The foundation firm offers a little more growth opportunity. It is formed primarily through research and development but this type of business rarely goes public. Finally there is the high-potential venture. This would be considered the most successful as it holds the highest growth rate potential and holds the most outside investor interest. This type of business is the most viable to invest into as it offers the greatest economic development. <sup>6</sup>

<sup>6</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One

#### 2.3 Life-cycle Approach

"The Life-cycle Approach for understanding entrepreneurial careers views the career stages as interacting with other stages and events in the individual's life". <sup>7</sup> This approach sets out the careers of entrepreneurs into nine categories. These are listed in table 4 below:

Table 4: A Framework for	r an Entrepreneurs	Career Development
--------------------------	--------------------	--------------------

Educational Environment	Entrepreneurs, in particular female entrepreneurs are far more educated than the general public.
Individual's Personality	The traits most frequently exhibited are need for achievement, locus of control and risk taking.
Childhood Family Environment	Tend to have self-employed fathers and mos have entrepreneurial mothers. They play ar important role.
Employment History	Have a higher probability of success when the job is in their field of expertise.
Adult Development	Has more of an impact on women, since they tend to start businesses at a later stage in life
Adult Family/Non-work History	Lack of data on this subject
Current Work Situation	The new venture usually takes priority in thei life
The individual's Current Perspective	Are they happy with their job etc
The Current Family Situation	If they are happy with their home situation.

Source: Hisrich and Peters, Entrepreneurship, A Framework for an Entrepreneurs Career Development

<sup>&</sup>lt;sup>7</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One

#### 2.4 Ethical and Social Responsibilities of the Entrepreneur

Business ethics can be defined as "Moral principles concerning acceptable and unacceptable behaviour by business people. Executives are supposed to maintain a high sense of values and conduct honest and fair practices with the public". <sup>8</sup>

"The entrepreneur must establish a balance between ethical exigencies, economic expediency and social responsibility". <sup>9</sup> A manager's attitudes concerning corporate responsibility tend to be supportive of laws and professional codes of ethics. Peer pressure and social norms contribute to executives concern to act in an ethical manner. The word ethics stems from the Greek 'ethos', meaning custom or usage. It was first used as early as the time of Socrates, Plato and Aristotle who provided the first writings on ethical concepts.<sup>10</sup>

#### 2.5 Reasons for Starting a Business

There are many different reasons why one may start up a business of their own. Deacons and Freel's, 2003, p67, identify two key factors which contribute to an individual becoming an entrepreneur. These were identified as the 'pull' and 'push' influences. The 'pull influences' includes the desire for independence, exploiting an opportunity, turning a hobby into a business and due to the financial incentive. These are influences that are not forced on the individual. They chose to partake in the business start-up whereas the 'push influences' almost give the participant no other

<sup>&</sup>lt;sup>8</sup> Barron's Educational Series, 2007, Business Ethics, All Business, Simple Solutions, Powerful Advice, <u>http://www.allbusiness.com/glossarics/business-ethics/4962856-1.html</u> retrieved on the 15th of June 2010

<sup>&</sup>lt;sup>9</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One

<sup>&</sup>lt;sup>10</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One

chose but do it to survive. They are redundancy, unemployment or threat of it and a disagreement with an employer.<sup>11</sup>

#### 2.6 Female and Male Entrepreneurs

#### 2.6.1 Overview

Female entrepreneurs tend to differ to their male counterparts. They are usually less prone to risk taking and long trips away from family members. More female entrepreneurs need to be encouraged to enter the Irish market place. EU funding progress (2007-2013) is a financial programme for supporting the effective implementation of the principle of gender equality and promoting gender mainstreaming in all EU policies. The European Social Fund also promotes equality between women and men. <sup>12</sup> A number of representatives will be quoted throughout this investigation.

#### 2.6.2 The Male and Female Entrepreneur

Factors in the start-up process for male and female entrepreneurs are different, especially in such areas as support systems, sources of funds, and challenges. Men are motivated by the drive to control their own destinies while women tend to be more motivated by the need for achievement arising from job frustration.<sup>13</sup>

<sup>&</sup>lt;sup>11</sup> Deacons, Freel, 2003, Entrepreneurship and Small Firms, Reasons for Starting a Business

<sup>&</sup>lt;sup>12</sup> European Commission, 2010, Employment, Social Affairs and Equal Opportunities, Gender Equality, <u>http://ec.europa.eu/social/main.isp?catId=418</u> retrieved on the 21<sup>st</sup> of November 2009

<sup>&</sup>lt;sup>13</sup> Hisrich, Peters, 2005, Male Vs. Female Entrepreneurship, McGraw-Hill Publishers, BBS Entrepreneurship, Chapter 3

There are many examples of successful female entrepreneurs as previously mentioned. One of the best of which is Mary Kay Ash. Mary Kay Ash - Most Outstanding Woman in Business in the 20th Century, with her life savings of \$5,000 and the help of her 20-year-old son, opened her first 500 sq. ft. Cosmetic store in Dallas in 1963. Mary Kay Inc. started with just nine independent beauty consultants. She told her people to prioritize their life with God first, family second, and work third. With this as her guiding practice she has encouraged entrepreneurial forward women and given them new opportunities for their own personal and financial success.<sup>14</sup>

Mr Eddie McVeigh of the European Commission Representation in Ireland stated, "Women are under-represented as entrepreneurs in Europe and this has direct repercussions on our economy's success. We are losing the energy of dynamic individuals who can see an opportunity, start-up a business and sustain commercial activity. Through this network of ten successful ambassadors we hope to inspire women of all ages who may want to start a company but lack the confidence to do so. At a European level we need to ensure that policy effectively promotes this goal."<sup>15</sup>

The Chambers of Commerce in Ireland has given rise to the 10 successful businesswomen becoming Ambassadors that are listed in table 5. They will share their unique experiences with the potential entrepreneurs of the future in a bid to

<sup>&</sup>lt;sup>14</sup> Allen, Scott, 2010, Mary Kay Ash, Most Outstanding Women in Business in the 20<sup>th</sup> Century, <u>http://entrepreneurs.about.com/od/famousentrepreneurs/p/marykayash.htm</u> retrieved on the 15th of November 2009

<sup>&</sup>lt;sup>15</sup> McVeigh, Eddie, 2009, EU Commission, Ambassadors for Female Entrepreneurship to Encourage More Start-ups, <u>http://www.talktoeu.le/en/News/Female-Entrepreneurship</u> retrieved on the 12th of November 2009

increase female entrepreneurial participation in Ireland and throughout the EU where a total of 120 women business leaders have become Ambassadors.<sup>16</sup>

The following are the businesswomen who have been appointed as the Irish members of the EU Network of Ambassadors for Female Entrepreneurship:

Table 5: Ten Irish Ambassadors for encouraging female entrepreneurship

Grainne Byrne – GBC Public Relations	Judy Greene – Judy Greene Pottery
Nicola Byrne – 11890	Audrey Kinahan – University Late Night Pharmacy
Triona Campbell – CR Entertainment	Mary O'Riordan – O'Riordan Interiors and Perfect Curtains
Liz Cassidy – Irish Time Design	Chris Winning – Corporate Care Relocation Ireland
Krishna De – BizGrowth	Jola Wojtowicz – Jola's Restaurant
	17

Source: Chamber of Commerce, 2009, Ambassadors for Female Entrepreneurship to Encourage More Start-ups

Further research shows how the situation has already changed when it comes to equality between women and men in the EU. Progress is measured every year and presented in a Report on Equality between women and men.

<sup>&</sup>lt;sup>16</sup> Chamber of Commerce, 2009, Ambassadors for Female Entrepreneurship to Encourage More Startups, <u>http://www.talktocu.je/cn/News/Female-Entrepreneurship-</u> retrieved on the 12th of November 2009

<sup>&</sup>lt;sup>17</sup> Chamber of Commerce, 2009, Ambassadors for Female Entrepreneurship to Encourage More Startups, <u>http://www.talktoeu.ie/en/News/Female-Entrepreneurship-</u> retrieved on the 12th of November 2009

Some examples:

- The employment rate of women increases but remains lower than men's, although women represent a majority of students and university graduates.
- Women continue to earn on average 17.4% less than men for every hour worked and this figure remains stable.
- Women are still very under-represented in economic and political decisionmaking positions, although their share has increased over the last decade.
- The division of family responsibilities is still very unequal between women and men.
- The risk of poverty is higher for women than for men.
- Women are the main victims of gender-based violence and women and girls are more vulnerable to trafficking of human beings. <sup>18</sup>

If differences between male and female business owners emerge, for example, in terms of differential access to finance, this is not attributed to entrepreneurship and business behaviour per se. Rather it is ascribed to other factors, such as the flawed application of what are assumed to be fundamentally gender-neutral regulations and practices. The focus is on the primary variables of small business ownership and self-employment, with gender being interpreted as an intervening variable that may or may not have an impact. If gender does have an impact, it is argued that efforts should be made to reduce it.<sup>19</sup>

<sup>&</sup>lt;sup>18</sup> Women's employment rates, 2010, Male Vs. Female Entrepreneurship,

http://ec.europa.eu/social/main.jsp?langId=en&catId=418 retrieved on the 10th of October 2010

<sup>&</sup>lt;sup>19</sup> Lewis, Patricia, 2006, Gender, Work and Organisation, Vol. 13, The Quest for Invisibility: Female Entrepreneurs and the Masculine Norm of Entrepreneurship, Brunel Business School, Brunel University, Kingston Lane, Uxbridge,

http://www3.interscience.wiley.com/journal/118574348/abstract?CRLTRY=1&SRETRY=0 retrieved on the 21<sup>st</sup> of May 2010

It is argued that female business owners challenge the conventional definitions of what it is to be a successful entrepreneur. According to Lee-Gosselin and Grise (1990, p. 432) this "occurs through their commitment to an enterprise model which emphasizes 'small and stable businesses', an orientation which is perceived as a means of achieving a better work-life balance and which brings a refreshing alternative to the 'greater than life' models of entrepreneurship".<sup>20</sup>

Below are some of the legislative steps taken to prevent gender inequality in the European Union. These steps are very important in aiding the effort to increase the amount of female entrepreneurs in Europe and should be encouraged to be enforced in all businesses.

A large body of European legislative texts is dedicated to equality between women and men. This is mainly made up of various Treaty provisions and Directives concerning access to employment, equal pay, maternity protection, parental leave, social security and occupational social security, the burden of proof in discrimination cases and self-employment. The case-law of the European Court of Justice is another key element.<sup>21</sup>

The EU's roadmap for equality between women and men sets out the priorities for the period 2006-2010. "It combines specific initiatives and the integration of equality between women and men into all EU policies and activities. The European Commission's network of women in decision-making in politics and the economy

<sup>&</sup>lt;sup>20</sup> Gosselin, Grise, 1990, Female Entrepreneurs, Journal p. 432, www.interscience.wiley.com/journal/118574348 retrieved on the 15th of May 2010

<sup>&</sup>lt;sup>21</sup> European Commission, 2010, Employment, Social Affairs and Equal Opportunities, Gender Equality, <u>http://ec.europa.eu/social/main.jsp?catId=418</u> retrieved on the 21<sup>st</sup> of November 2009

was launched in June 2008. The network provides a platform at EU level for exchange of good practices and successful strategies to improve gender balance in decision-making positions".<sup>22</sup>

President, Mary McAleese praised the significant contribution of Irish female entrepreneurs to economic progress in Ireland and highlighted the future growth potential for the economy as more women enter the entrepreneurship arena. "Recent demographic and societal changes present us with an unprecedented opportunity—a sort of "perfect storm"—to increase the numbers of female entrepreneurs. Female education standards are now higher than ever before, female participation rates in the labour market have risen significantly and there is a very high proportion of our female population in the age cohort at which entrepreneurial activity is most likely to occur. We must seize this opportunity to channel the extraordinary potential of Irish women into this highly productive field".<sup>23</sup>

The Global Entrepreneurship Monitor Report 2006 concluded that: "If women in Ireland were to become entrepreneurs at the same rate as men in Ireland, there would be as many new entrepreneurs in Ireland per capita as there are in the United States". This would be a great achievement in Ireland. The economy would strive under these conditions, employment rates in turn would increase and overall country profitability would be vast.

http://ec.europa.eu/social/main.isp?langld=en&catId=418 retrieved on the 23<sup>rd</sup> of February 2010

<sup>&</sup>lt;sup>22</sup> The European Commission, 2009, Gender Equality,

<sup>&</sup>lt;sup>23</sup> McAleese, Mary, 2008, Speaking on Female Entrepreneurship Rates in Ireland, <u>http://www.mbaassociation.ie/pages/printarticle.asp?idIssue=1&idSection=1&idStory=1</u> retrieved on the 2<sup>nd</sup> of March 2010

Currently women only make up 30% of entrepreneurs in the EU. Incentives and a policy re-design are needed to help unlock their potential which is crucial for sustainable recovery. Due to the impact that the recession has had on the Irish and European economies respectively, the augmentation of female entrepreneurs is more vital than ever.

An Tanaiste and Minister for Enterprise, Trade & Employment Mary Coughlan TD states that "An active entrepreneurial sector can directly assist Ireland in facing the challenge to sustain growth, deepen competitive advantage in a knowledge economy and strengthen the enterprise base. Ireland has a healthy record of entrepreneurial activity but we need to do better. In particular, we need to increase the participation rate by female entrepreneurs in our enterprise sector". <sup>24</sup>

Whilst the Deputy President of Galway Chamber, Carmel Brennan stated that, "As National Co-ordinators for this initiative, Galway Chamber recognises the important role that women in business can play and the contribution which women can make to national economy. Too few women are taking the step to starting their own business and there is a huge untapped entrepreneurial potential".<sup>25</sup>

The potential growth for female entrepreneurs is obvious. It can be seen from the number of people making statements about a much needed increase in the amount of female entrepreneurs that this is where are economy has to go. Women must now take every opportunity out there and make their ideas a reality and a success.

<sup>25</sup> Brennan, Carmel, 2009, Deputy President of Galway Chamber, <u>http://www.talktoeu.ie/en/News/Female-Entrepreneurship-</u> retrieved on the 2nd of March 2010 2010

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<sup>&</sup>lt;sup>24</sup> Coughlan, Mary, 2007, Minister for Enterprise, Trade and Employment, Female Entrepreneurship and their participation talk, <u>http://www.talktoeu.ie/en/News/Female-Entrepreneurship-</u> retrieved on the 3rd of March 2010

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#### 2.6.3 Female Entrepreneurs

Female entrepreneurs tend to differ to their male counterparts in several ways. Whether it is their personalities, characteristics or traits, the reasons for starting up a business or difficulties faced. Female entrepreneurs such as Anita Roddick (The Body Shop), Estēe Lauder (Estēe Lauder Inc) and even the infamous Oprah Winfrey (Harpo Productions Inc) have led the way in highlighting that gender equality is becoming globally more prevalent than ever. By doing so they are encouraging and giving aspiring female entrepreneurs the courage to take the risk of starting up their own businesses. This is a crucial element in relation to the future success of female entrepreneurial participation throughout the world, in particular in Ireland.

Women Unlimited, the UK's fastest growing organisation focuses on supporting women business owners, has picked ten of the brightest female entrepreneurs who they believe will be 'stepping into success' in 2010.<sup>26</sup> The businesses picked are founded or co-founded by women. They are all relatively new organisations that have been conceived and launched in the last five years. They are a mix of established start-ups and up and coming businesses.

The companies are shown on the following page to provide evidence of successful female led businesses.

<sup>&</sup>lt;sup>26</sup> Hall, Julie, March 2009, Women Unlimited, <u>www.women-unlimited.co.uk</u> retrieved on the 21<sup>st</sup> of February 2010

The top ten companies are:

1. Alexandra Keely of Powerchex - www.powerchex.co.uk -

Powerchex specializes in providing a quick five-day turnaround to screen the histories of new recruits in the financial sector. It is already very successful and is set for explosive growth.

2. Lisa Irlam of Pool-mate Watch - www.swimovate.com -

Lisa is doing everything right and making a splash with her watches both in the UK and internationally. She has managed to quickly gain customers all over the world.

3. Sara Murray of Buddi - www.buddi.co.uk -

Sara came up with the idea for this personal tracking device after losing one of her children in a supermarket and is a classic example of where a personal need became the foundation for a new product.

4. Jo Behari of Home Jane - www.home-jane.co.uk -

Jo created an all *female* DIY services company that is really hitting the mark. Home Jane is a multi-award winner.

5. Galia Orme of Choc Chick - www.chocchick.com -

Galia's idea for making guilt-free chocolates instead of buying off the shelf chocolate is going from strength-to-strength.

6. Susi Pink of Lavish - www.lavish.co.uk -

Lavish is a luxury gift voucher for beauty salons and spa that can be redeemed across the UK.

7. Anna Lowe, founder of Innovonix - www.innovonix.com -

Innovonix is developing Water-Rays, a solar-powered water pump to allow subsistence farmers in developing countries to irrigate their crops. It's rare to see a woman launching a business in the engineering field.

8. Viviane Jaeger - Squid London - www.squidlondon.com -

Squid London is a forward thinking design team paving the way in future material technology as evidenced by their colour changing umbrella.

9. Kate Kitson of Truly Madly Baby Party Planning - www.trulymadlybaby.co.uk -

Truly Madly Baby already has over 300 consultants running parties all over the country.

10. Tina Michelucci of Dietfreedom - www.dietfreedom.co.uk -

One of the original Trapezia fund businesses, Tina created Diet Freedom initially as an online diet forum, and they are now creating award winning diet products to enable weight loss.<sup>27</sup>

<sup>&</sup>lt;sup>27</sup> Hall, Julie, 2009, <u>http://www.onrec.com/news/who\_will\_step\_into\_success\_in\_2010</u> retrieved on the 21st of February 2010

While women have gained greater power in concern with decision making or appointed to decision-making posts in the EU over the last years, power is still firmly in men's hands in the political and economic spheres. In the EU, on average, only one out of four members of national parliaments and senior ministers in national governments is a woman, although after the 2009 elections to the European Parliament, women share rose from 31 % to 35 %. <sup>28</sup>

It is important to keep in mind that gender equality is not only a question of diversity and social fairness. It needs to be enforced to meet the objectives of sustainable growth, employment, competitiveness and social cohesion. Investing in gender equality policies pays off in terms of higher female employment rates, women's contribution to GDP, tax revenues and sustainable fertility rates.<sup>29</sup>

#### 2.7 Barriers to Entry into the Business Industry

#### 2.7.1 Main Barriers to Entry

When an entrepreneur is considered as a whole entity regardless of gender and other differentiating factors, it is clear that there are certain areas which can be considered problematic to overcome. Although for the purpose of this research the barriers that are most challenging for both the female and male entrepreneurs will be outlined and a brief discussion will follow.

<sup>&</sup>lt;sup>28</sup> European Commission, 2010, Directorate-General for Employment, Social Affairs and Equal Opportunities

Unit G.1, hup://www.ilo.org/public/libdoc/jobcrisis/download/KEAU10001ENC\_002.pdf retrieved on the 2nd of January 2010

<sup>&</sup>lt;sup>29</sup> Smith, M. and Bettio, F. (2008) 'Analysis Note: The economic case for gender equality', EGGE, www.ec.europa.eu/social retrieved on the 11th of November 2009

#### 2.7.1.1 Barriers to Entry for Female Entrepreneurs

When the matter of a female is considered albeit a female entrepreneur, we imagine a person with strong emotional range, with a compassion and empathy for their fellow man whether it be a business partner, family or a complete stranger. The same can be thought of their male counterparts. Although men sometimes give the perception of being tough and not as highly emotional as their female counterparts this is not always the case.

These personality traits can occasionally influence a third parties decision to invest in or grant permission for a new business start-up. This can affect the new venture both positively and negatively. The areas which affect the female entrepreneur will be discussed below.

Participation Rates of female entrepreneurs is the first factor which will be discussed. Throughout the European Union participation is said to be 50% of those of men i.e. self-employment rates. It is said that occasionally women participation in business is not recorded but in practice they are actually nearer to those of males. <sup>30</sup> This is an area that will need to be rectified especially when the current need for extra revenue is taken into account. A low participation rate may be attributed to family responsibilities, lack of confidence, lack of motivation or even a fear of rejection from financial institutes or venture capitalists.

The increasing participation of women in the labour market is a positive development, representing an important contribution to economic growth in the EU, accounting for a quarter of annual economic growth since 1995. The female employment rate increased by 7.1 percentage points over the last decade and reached

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<sup>&</sup>lt;sup>30</sup> McGraw, Hill, 2006, Entrepreneurship and Small Firms, 4<sup>th</sup> Edition, Diversity in Entrepreneurship, The Role of Women and Ethnic Minorities, Chapter 3, BBS Entrepreneurship

59.1 % in 2008, which is close to the Lisbon target (60 % in 2010), though this rate varies between Member States, from below 40% to above 70 %. The average gap between female and male employment rates fell to 13.7 percentage points in 2008 from 18.2 points in 1998. <sup>31</sup>

However this positive up rise has been affected due to the recent economic crisis. The recession has had very poor effects on the labour market and figures of unemployment in Ireland and the EU. Between May 2008 and September 2009, the unemployment rate at EU level rose more rapidly for men (from 6.4 % to 9.3 %) than for women (7.4 % to 9 %). The male-dominated sectors of industry and construction have been hit hard. However, in recent months female and male unemployment rates have been increasing at the same pace, reflecting probably an extension of the crisis to other sectors, more gender-mixed than the ones first hit. Moreover, in a dozen Member States, unemployment remains higher among women. Finally, as women's jobs are concentrated in the public sector, they could be disproportionately affected by job losses due to budget cuts. <sup>32</sup>

Women are more likely to have a disadvantaged position on the labour market e.g. due to higher incidence of precarious contracts, involuntary part-time and a persistent unfavourable pay gap (17.6 % on average in the EU in 2007), with repercussions on their lifetime earnings, social security protection and pensions, resulting in higher atrisk-of-poverty rates, especially once in retirement.

Beyond the current economic crisis and its effects on women and men, it is necessary to consider the longer-term challenges affecting gender equality in the labour market.

<sup>&</sup>lt;sup>31</sup> European Commission, 2009, Report on Equality between Women and Men,

http://www.scribd.com/doc/27758363/Report-on-Equality-of-Women-and-Men-2010 retrieved on the 6th of May 2010

<sup>&</sup>lt;sup>32</sup> The European Parliament, 2009, Brussels, Report from the Commission to the Council, the European Economic and Social Committee and the Committee of Regions, Journal on Equality between Men and Women

Although the level of education among women has increased considerably in recent years, and as previously mentioned women now outnumber men among university graduates (59 % of graduates in all subjects in 2006 in the EU), women continue to be concentrated in traditionally feminised and often lower-paid sectors (health and care services, education, etc.) and occupy fewer positions of responsibility in all spheres of society. Lack of access to care services for dependent persons (children, disabled, elderly), adequate leave schemes and flexible working arrangements for both parents often hinder women from participating in the labour market or from working full-time. In 2008, 31.1 % of women worked part-time compared to 7.9 % of men. Taking account of the employment rate in full-time equivalents, the gender gap has been only slightly reduced since 2003 and has even widened in nine Member States.

As revealed in the Global Entrepreneurship Monitor Report in 2008, female entrepreneurship worldwide accounted for more than one-third of people involved in entrepreneurial activity. It is also revealed that this is expected to increase rapidly over the following years. In the 2007 GEM Report several tables of important statistical data is present which illustrates significant figures comparing both male and female prevalence rates of entrepreneurial activity across countries and profitability differences in companies led by men and women.

Motivation is another factor which needs to be considered. Women's motivation can be listed as gaining their independence, greater flexibility of working hours and social objectives. Networking tends to be a weaker point for women. Creating networks tends to be a more male dominated area i.e. Chamber of Commerce, Business Clubs etc. The problem with this in this particular industry is that entrepreneurs need networks to establish credibility.

Assess to finance is another barrier for a female entrepreneur to overcome. It is stated (McGraw, Hills, 2006, p298) "those female entrepreneurs may be less likely to attain

finance from banks etc due to the fact that they have little collateral to offer. This is because the majority of men have ownership over the home or land. Most formal and informal sources of finance are male-dominated networks e.g., business angel networks, venture capital. <sup>33</sup> On average the wage of a woman is less than those of a man although this gap has been closed in the last number of years due to increased education of women and the introduction of the minimum wage. It is also stated that personal resources of women will likely be less than those of men. This may be because of smaller wages or simply that they are stay at home mothers.

Lack of access to capital is the number one reason women-owned businesses are not growing at the same rate as their male counterparts, according to a spring 2009 report from the National Women's Business Council. Also according to the Centre for Women's Business Research, female-business owners staff more than 23.8 million jobs internationally. <sup>34</sup> From this information it can be assumed that female participation is of vital importance to reducing the unemployment rates in Ireland and across the world.

Particular aspects of entrepreneurship that affect the start up and development of business ventures are explored in the study. These include:

- The educational backgrounds/attainment of entrepreneurs
- Family issues associated with entrepreneurship
- The gender of entrepreneurs
- Entrepreneurs motivation to start businesses
- Attitudes to wealth creation
- Attitudes to self-employment

<sup>34</sup> Casnick-Cloeter, Melissa, 2010, Women struggle to shatter glass ceiling, article, co-founder of Entrepreneur Expose' ,Hackettstown

<sup>&</sup>lt;sup>33</sup> McGraw, Hill, 2006, Entrepreneurship and Small Firms, 4<sup>th</sup> Edition, Diversity in Entrepreneurship, The Role of Women and Ethnic Minorities, Chapter 3, BBS Entrepreneurship

- Preferences for ventures in specific sectors and previous experience in those
- National attitudes/cultural issues with regard to entrepreneurship
- Attitudes to failure
- Attitudes to employing people
- Attitudes to growing and developing a business
- Attitudes to exporting/internationalisation <sup>35</sup>

In the United States women with children work less (-11.5 hours) than women without children, while men with children work more than men without children (+6.8 hours). This strong influence of parenthood on employment participation is linked to traditional gender roles and the lack of childcare facilities in many Member States. Despite an increase in the provision of childcare over the last few years, in line with the European targets, the coverage rates remain below these targets in many countries, especially for children under 3 years of age. Caring for other dependants also has a strong influence on the possibility of women and men to remain on the labour market, a challenge aggravated by the ageing of the population.

In 2005, more than 20 million Europeans aged 15-64 (12.8 million women and 7.6 million men) had care responsibilities for adult dependent persons. This care responsibility plays a role in the low employment rate of women aged 55-64 (36.8 % in 2008, 18.2 points lower than men's rate). "The lack of adequate work-life balance measures may also influence women's and men's decision not to have children or to have fewer children, which is problematic as regards the ageing of the population and the future labour market supply, and consequently economic growth. In countries with favourable conditions for childcare, parental leave and flexible working arrangements, both female employment rates and birth rates are higher". <sup>36</sup>

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<sup>&</sup>lt;sup>35</sup> GoodBody Economic Consultants, 2002, Entrepreneurship in Ireland, Ballsbridge Park, Dublin 4, www.goodbody.ie/ www.econsultants(*a* goodbody.ie retrieved on the 5<sup>th</sup> of May 2010

<sup>&</sup>lt;sup>36</sup> Puigarnau, Jordi, 2010, Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions

# 2.8 Conclusion

The focus of this chapter was the subject of entrepreneurship. From entrepreneurships early beginnings in the 17<sup>th</sup> century to it's vital presence in today's society. Entrepreneurship has grown from strength to strength. Millions of new businesses are open yearly throughout the world. Due to the recession that has occurred globally, the need for the female entrepreneur to breakthrough is now more important than ever. Economic restoration would hopefully ensue thereafter.

The characteristics of the entrepreneur define how and why they perform as they do. The unique traits of the male and female entrepreneur further highlighted the reasons behind their respective ventures. The male entrepreneur tends to be more of a risktaker than their female counterparts while the women tend to be more organised than men. The struggle against gender inequality continues to make an impact in the entrepreneurial setting. The many bodies which have been set up in order to combat this inequality are a positive step. They eventually will hopefully decrease gender equality to a scale that will longer affect the entrepreneur in general.

- Equality between women and men, <u>http://register.consilium.europa.eu/pdf/</u> retrieved on 1<sup>st</sup> of May 2010

# Chapter Three Irish and Foreign Entrepreneurs

## 3.1 Introduction

Throughout the European Union and across the world, entrepreneurship plays a vital role in maintaining and growing a country's economic stance. This chapter will review some examples and statistics that are prevalent throughout these regions and give some examples of some of the institutes which are reinforcing entrepreneurial activity throughout the world.

## 3.2 Irish Entrepreneurship

The rate at which individuals started businesses in Ireland (4.3%) continues well above the EU (2.7%) and OECD (3.3%) averages and compares well to the rate prevalent in the United States (5.0%). <sup>37</sup>

Between 1997 and 2002, the total number of VAT registered enterprises in the Republic of Ireland increased by 45%, from 146,180 to 212,070. The increase in the number of NI VAT registered enterprises was less marked (2%), from 54,635 in 1997 to 55,810 in 2002. There were just over 25,000 new registrations in the Republic of Ireland in 2002, compared with almost 3,500 in Northern Ireland. The number of foreign owned manufacturing enterprises in the Republic of Ireland steadily decreased between 1997 and 2000, before increasing to 646 in 2001. In contrast, the number of foreign owned manufacturing enterprises in Northern Ireland progressively increased between 1997 and 2000, before decreasing slightly to 164 in 2001. In 2001 these foreign owned enterprises employed almost 121,000 people in the Republic of Ireland and close to 39,000 in Northern Ireland.

<sup>&</sup>lt;sup>37</sup> Bosma, Levie et al, 2008, Global Entrepreneurship Monitor Report,

http://www.gemconsortium.org/download/1276516714546/GEM\_Global\_08.pdf retrieved on the 21st of May 2010

convey the relatively high employment rates that are generated from new business start-ups whether 'home-grown' or in the form of foreign direct investment.<sup>38</sup>

In addition to the large entrepreneurial statistics offered by Ireland, they now have another accolade to add to their résumé. On the 11<sup>th</sup> of February 2010, Co. Kerry Kerry was awarded the prestigious title of European Entrepreneurial Region (EER) of the Year 2011 at a ceremony hosted by the EU Committee of the Regions (COR) in Brussels. "Co. Kerry has received this award in recognition of the vision, hard work and partnership approach by IT, Tralee, Shannon Development, the County Council and Kerry's thriving entrepreneurial community". <sup>39</sup> The EER is designed to recognise, reward and encourage outstanding entrepreneurial vision throughout the European Union. This gives a greater view of Ireland as a whole as it will now be recognised across the EU as a place of great innovation and one of large entrepreneurial capabilities.

The tasks of the institute are "to collect and analyse comparable data on gender issues, to develop methodological tools, in particular for the integration of the gender dimension in all policy areas, to facilitate the exchange of best practices and dialogue among stakeholders, and to raise awareness among EU citizens".<sup>40</sup> The Institute's budget for the period 2007-2013 is  $\in$ 52.5 million. This shows that they are serious about improving this situation and are willing to provide extra and help and incentives to any potentially successful female participants. This institute is instrumental in the effort to increase the success and growth of female entrepreneurs.

<sup>&</sup>lt;sup>38</sup> McClelland, Emma, 2004, Irish Female Entrepreneurs: Mapping the Route to Internationalisation, <u>http://www.cso.ie/releasespublications/documents/other\_releases/2003/economyandenvironment.pdf</u> retrieved on the 23rd of March 2010

<sup>&</sup>lt;sup>39</sup> Examiner Publications, 2010, European Entrepreneurship Awards,

http://www.irishexaminer.com/breakingnews/business/kerry-wins-prestigious-europeanentrepreneurship-award-445778.html#ixz20t5ac5PDe\_retrieved on the 7<sup>th</sup> of July 2010

<sup>&</sup>lt;sup>40</sup> European Commission, Employment, Social Affairs and Equality Opportunities, http://cc.europa.eu/social/main.jsp?catId=732&langId=en retrieved on the 23<sup>1d</sup> of March 2010

Equality between women and men is a fundamental right and a common principle of the European Union. The EU has made a major contribution to the advancement of women and the improvement of women's and men's lives through a substantial body of equal treatment legislation and the explicit integration of the gender dimension into EU policies and instruments.<sup>41</sup> There is a positive trend towards a more gender-equal society and labour market, yet gender inequalities persist, mainly to the disadvantage of women. The current economic crisis has raised concerns that the achievements in gender equality are at risk and that the effects of the recession will put greater pressure on women.

The downturn could be used as a reason to limit or cut gender equality measures, and analysis of national responses to the crisis confirms this risk. However, it is felt that these tough times can give rise to opportunities for female entrepreneurs to receive greater incentives to go out into the work place and develop a successful and profitable business. Policy makers would also hold the chance of implementing new policies to ensure the labour market and society act in a increasingly gender-equal manner in the future.<sup>42</sup>

In 2010, the European Commission will renew its commitment to promoting gender equality by adopting a gender equality strategy to follow up the aforementioned Roadmap for equality between women and men. Also the Lisbon Strategy for Growth and Jobs will be updated. These will be very important steps in ensuring future growth in gender equality. Combating gender inequalities is a long-term challenge. It entails structural and behavioural changes and the roles of women and men will have to be redefined. This will be a very slow and time-consuming process.

<sup>&</sup>lt;sup>41</sup> The European Parliament, 2009, Brussels, Report from the Commission to the Council, the European Economic and Social Committee and the Committee of Regions, Journal

<sup>&</sup>lt;sup>42</sup> The European Parliament, 2009, Brussels, Report from the Commission to the Council, the European Economic and Social Committee and the Committee of Regions, Journal

2010

Gender gaps still exist in areas such as employment rates, pay, working hours, positions of responsibility, share of care and household duties, and risk of poverty. <sup>43</sup>

Although these advancements to improve and sustain gender equality in all European countries are a vital step that needs to be taken it is going to be a tough road ahead. There is a risk that the current recession will delay advances, or even reverse progress, with longer-term consequences on the sustainability of the economy and the social protection systems, social inclusion, and demography.

The establishment of new businesses can bring many benefits to the Irish economy and can enrich the base of SME's while adding to competitiveness, innovation and employment creation. I am determined to ensure that as much support as possible is given to these entrepreneurs to allow them to create sustainable, innovative businesses, so that the employment and other economic benefits that flow from the creation of new businesses can benefit the wider community." <sup>44</sup>

The 2008 Global Entrepreneurship Monitor showed a relatively uplifting scenario in regards to overall participation in entrepreneurship in Ireland. However in relation to the rate of female entrepreneurship it is a different story. The author has outlined some of the key points of the 2008 GEM Report on the following page:

<sup>&</sup>lt;sup>43</sup> Puigarnau, Jordi, 2010, Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions
Equality between women and men, <u>http://register.consilium.europa.eu/pdf/</u> retrieved on 1<sup>st</sup> of May

<sup>&</sup>lt;sup>44</sup> Paula Fitzsimons, National GEM Co-ordinator, and Dr. Colm O'Gorman, Professor of Entrepreneurship, DCU Business School.

Key points of the 2008 GEM Report:

- There was no fall off in the level of those who had recently set up a new business (4.3%), that Ireland remained to the fore in Europe in early stage entrepreneurs (7.6%) and that there continues to be a high level of established owner managers at 9% of the adult population.
- One in four (27%) of early stage entrepreneurs is a serial entrepreneur in that he/she has been involved in entrepreneurial activity previously.
- Reflecting the economic conditions there is a significant decline in the number of people perceiving good opportunities to start a new business down to 27% from 46% in 2007. The aspiration to start a new business in the next three years (10%), however, still remains strong.

The rate of early stage entrepreneurial activity among men increased from 10.6% in 2007 to 11.2%. As is the case in nearly every country in the world, the rate of early-stage entrepreneurial activity among women is less than it is among men. Ireland is no exception. The rate of early stage entrepreneurial activity among women in 2008 was 4.0%, similar to the level in 2006, but lower than the rate in 2007 (5.9%). <sup>45</sup>

<sup>&</sup>lt;sup>45</sup> Fitzsimmons, Paula, O'Gorman, Colm, 2008, GEM REPORT 2008, http://www.forfas.je/media/gem\_report\_2008.pdf' retrieved on the 23rd f March 2010

# 3.3 International Examples of Support for Female Entrepreneurs

'Women into the Network' are a networking initiative based in the North East of England which facilitates the developments of women's businesses throughout the region. An EU commissioned survey has recognised the success of WIN by selecting it as the UK's best practice initiative for promoting female entrepreneurship. WIN helps to test approaches to ensure that mainstream business support is developed to meet the needs of excluded groups of women. <sup>46</sup> Services like the WIN networking initiative have been set up in many countries worldwide with the intention of aiding female entrepreneurs to succeed. Another example of this is the Business Frauen Centre (business women Centre) in Austria. They help female entrepreneurs through individual coaching, group training and providing a network structure which we know is a weakness in some women to establish. <sup>47</sup> Their primary goal is to empower female entrepreneurs.

A UK study found gender differences in business financing: females were less likely to use overdrafts, bank loans and supplier credit, while males used a larger amount of capital at start-up (Carter and Rosa, 1998). Furthermore, this study found that females were more likely to be refused bank credit based on a lack of business experience and domestic circumstances, whereas males were more likely to be refused credit based on their lack of education attainment and choice of business sector.

<sup>&</sup>lt;sup>46</sup> Women into the Network, 2002, Durham Business School, Class notes, Ivan McPhillips

<sup>&</sup>lt;sup>47</sup> Business Frauen Centre, 2008, PDF article, Start Smart, Austria

The Women's Entrepreneurship Programme Iceland (2000-2002) is a comprehensive program aimed at Icelandic women of all ages including;

- Girls the future
- Women entrepreneurs
- Women as financial beings
- Women Leaders

It is funded by private enterprises in Iceland. The overall mission is "to promote economic growth in Iceland by better utilising the wealth residing in women by increasing their participation in entrepreneurship and job creation". <sup>48</sup>

On the 5<sup>th</sup> of March 2010, the European Commission announced that they will develop the Future Europe 2020 strategy in an attempt to make gender equality a reality in the EU under what they call the 'Women's Charter'. 'Women and men still face widespread inequalities, with serious repercussions for economic and social cohesion, sustainable growth and competitiveness, and the ageing of Europe's population' (Barroso, 2010). The strategy will provide a coordinated framework for action across all EU policies.

The Charter presents a series of commitments based on agreed principles of equality between women and men. It aims to promote:

- Equality in the labour market and equal economic independence for women and men, namely through the Europe 2020 strategy;
- Equal pay for equal work and work of equal value by working with Member States to reduce significantly the gender pay gap over the next five years;
- Equality in decision-making through EU incentive measures;

<sup>&</sup>lt;sup>48</sup> Andur, 2000-2002, Creating Wealth with Women's Vitality, Women Entrepreneurship Programme

- Dignity, integrity and an end to gender-based violence through a comprehensive policy framework;
- Gender equality beyond the EU by pursuing the issue in external relations and with international organisations. <sup>49</sup>

A new Euro-barometer survey on gender equality released in 2010 shows that 62% of Europeans believe that gender inequality still exists in many areas of society. The new Women's Charter initiative comes 15 years after the Beijing Platform for Action agreed at the United Nations' Fourth Conference for Women. <sup>50</sup> Investing in women's employment and economic independence and in work-life balance measures for both women and men will most definitely pay off in terms of economic and social development as it should significantly narrow the gaps in terms of employment, pay and decision-making, providing better jobs, as well as reducing labour market segregation and poverty risk. If tax and benefit systems provided financial incentives for women and men .<sup>51</sup>

'A strong commitment to further progress towards gender equality needs to be sustained at both EU and Member State levels, through a follow-up strategy to the European Commission's Roadmap for equality between women and me, the European Pact for Gender Equality adopted by the European Council, and the Framework of actions on gender equality agreed by the European social partners'. <sup>52</sup>

<sup>&</sup>lt;sup>49</sup> European Commission, 2010, Gender Equality, The Women's Charter,

http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=726&furtherNews\_ves retrieved on the 11<sup>th</sup> of May 2010

<sup>&</sup>lt;sup>50</sup> European Commission, Employment, Social Affairs and Equal Opportunities, <u>http://ec.europa.eu/social/main.isp?langld=en&catId=89&newsId=726&furtherNews=ves</u> retrieved on the 23<sup>rd</sup> of March 2010

<sup>&</sup>lt;sup>51</sup> The European Parliament, 2009, Brussels, Report from the Commission to the Council, the European Economic and Social Committee and the Committee of Regions, Journal, p9

<sup>&</sup>lt;sup>52</sup> European Union, 2010, Report on Equality between Men and Women, PDF Format, p13 www.europa.eu/social/BiobServlet?docld=4613&langld\_en\_retrieved on the 21<sup>st</sup> of May 2010

The domain of entrepreneurship includes the 'study of how, by whom and with what effects opportunities to create future goods and services are discovered, evaluated and exploited' (Shane & Venkataraman 2000 p218). Following this reasoning, "a key aspect of entrepreneurship scholarship includes the study of the set of individuals who pursue and fund new venture opportunities, including females". <sup>53</sup>

Reynolds et al state that 'many countries are not realizing their full entrepreneurial potential due to the lack of participation by females in new business activities'. They give an example in statistical terms conveying that in a 41-country study, females were found to comprise only 36% of all entrepreneurs (Reynolds et al., 2004). "A low level of female entrepreneurial activity may impact negatively on a nation's economic growth and development. In countries such as the US, there is evidence that the 10.6 million female-owned companies employing 19.1 million people and generating \$2.5 trillion in sales play a major role in growing the economy. Despite this economic contribution, the participation of females in entrepreneurship has been neglected in academic studies" (Baker et al.1997).

Ireland has an under-representation of female entrepreneurs (OECD, 2001; CSO, 2004). The ratio of female to male entrepreneurs in Ireland is 1 to 2.54, the lowest rate in Europe, one of the lowest in the developed world and the seventh lowest of 41 countries surveyed from 2000 to 2003 (Reynolds et al., 2004). Although Ireland has one of the higher rates of entrepreneurial activity of any European Union county in the Global Entrepreneurship Monitor (Acs et al., 2005), it appears that the positive entrepreneurial environment has led, as far as it is possible to ascertain, to increased entrepreneurial activity among males rather than females (Fitzsimons and O'Gorman. 2005). <sup>54</sup>

<sup>&</sup>lt;sup>53</sup> Landoli, Landstrom, Raffa, 2007, Entrepreneurship, Competitiveness and Local Development, Frontiers in European Entrepreneurship Research, p145

<sup>&</sup>lt;sup>54</sup> Hession, Jane, 2009, Women in the Modern Workplace: Gender Barriers to Business Start-Ups, Overview of the Irish Economy, p3

According to the Small Business Forum Report, "over 97 per cent of businesses operating in Ireland today are 'small' – they employ fewer than 50 people. There are approximately a quarter of a million small businesses in Ireland, employing 777,000 people (more than half of the total private sector, non-agricultural workforce)".

Unemployment in the OECD area is predicted to reach some 10% in 2010, up from about 5.6% in 2007. Men have been hit harder than women: across the OECD area, male employment has fallen by 3% since the recession started, while the decline for women stood at a tenth of that, at 0.3%. <sup>55</sup> This may be partially due to the enormous demise of the majority of the large construction companies, which predominantly employ men. A diagram illustrating the wage gaps between different countries included in the OECD can be seen on the following page.

<sup>&</sup>lt;sup>55</sup>OECD,2010, <u>http://www.oecdobserver.org/news/categorvfront.php/id/1294/Gender.html</u> retrieved on the 11th of April 2010

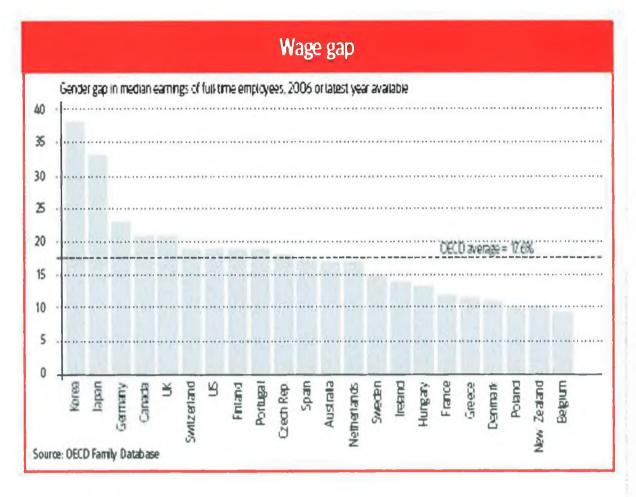


Figure3.1: Source - OECD, 2010, Wage Gaps

Literature published from the Organisation for Economic Co-operation and Development (OECD) states that women are not getting paid as highly as their male counterparts. On average, across OECD countries, the proportion of women in paid work is high (62%). However, women in OECD countries earn 18% less than men, only about one-third of managerial posts are held by a woman, many more women work in part-time jobs than men (25% and 6% respectively). <sup>56</sup> It is clear on inspection of the above table that Ireland is far below the 'average' wage rate in the OECD. This all contributes to the lack of participation in our business sector. The OECD members include Ireland, Finland, Greece, Spain, Hungary and Japan along with 24 other countries making it a total of 30 countries.

<sup>&</sup>lt;sup>56</sup> OECD, 2010, Overview of Gender Differences in OECD Countries,

http://www.oecd.org/document/51/0.3343.en 2649 34819 44720243 1 1 1 1.00.html retrieved on the 11<sup>th</sup> of February 2010

# 3.4 Conclusion

Throughout this chapter the concept of both the Irish and Foreign Entrepreneur were explored. The author assessed the statistics that were available on this subject through mostly secondary research. A wide range of information and quantitative data was available.

It was discovered through this investigation that there is quite a small ratio of female entrepreneurs when compared with male entrepreneurs. This is an Irish statistic. Again the number of agencies that have been set up in order to help the female entrepreneur to start their own businesses is great. An example of such is the Women's into the Network (WIN). WIN is an initiative based in the North East of England which facilitates the developments of women's businesses throughout the region. An EU commissioned survey has recognised the success of WIN by selecting it as the UK's best practice initiative for promoting female entrepreneurship.

The research for this chapter has made clear that there is a definite need for an increase in the numbers of female entrepreneurs in Ireland. The female entrepreneur offers a wide range of qualities that can only benefit the Irish economy.

# Chapter Four Research Methodology

# 4.1 Introduction

The purpose of this chapter is to clearly identify the research process involved in this research. This research was conducted using both primary and secondary sources. The secondary research was exploratory in nature as the literature was reviewed in order to gain an insight into the subject of this research. The primary research took the form of exploratory via in-depth interviews and also questionnaires were designed to better understand the female entrepreneurs own perspective on matters of importance to this particular research. It was decided that the participants of the questionnaires would be focused only on female entrepreneurs of various ages. They could be currently involved in the industry or may have previously participated in such business. The research approaches and methods used are discussed in greater detail throughout this chapter and the chosen research method will be discussed in terms of its design, development and also the associated limitations.

## 4.2 Research Strategies

According to Boris Bloomberg, research provides you with the knowledge and skills needed for the fast paced decision-making environment.

According to Bryman and Bell (2007) research can be either deductive or inductive in nature. Deductive research represents the most common view of the nature of the relationship between theory and research. In the deductive approach the researcher deduces a hypothesis based on what is known about a particular domain, the theory which is deduced is then tested through the use of a research strategy which is specifically designed for the purpose of its testing. <sup>57</sup> Although this is a popular method of research many researchers prefer to use the method of inductive research in their investigations. Inductive research represents a situation where observations and findings of research gives rise to the theory that the research has concluded. In other words, the process of induction involves drawing "generalisable inferences out

<sup>&</sup>lt;sup>57</sup> Bryman, Bell, 2007, Business Research Methods, Deductive Research, p. 12-13, 2<sup>nd</sup> edition, Oxford University Press

of observations" (Bryman & Bell, p.14, 2007). For the purpose of this research, the deductive approach is used, as the theory of entrepreneurship is deduced from literature and a hypothesis was based on this theory.

#### 4.2.1 The process of Deduction

1. Theory

2. Hypothesis

3. Data Collection

4. Findings

5. Hypotheses confirmed or rejected

6. Revision of Theory

Figure 4.1: Process of Deduction. (Bryman & Bell, P.11. 2007)

Positivism and interpretivism are the two epistemological approaches. The method of deduction contains elements of the epistemology science of research, primarily the positivism approach. Positivism supports the application of methods of the natural sciences to the study of social reality and a positivist believes that reality is separate from the individual who observe it (Bryman & Bell, 2007).<sup>58</sup> Therefore a positivist usually adopts methods that focus on quantitative techniques.

# **4.3 Research Processes**

Saunders et al (P.8, 2006) state that the research process is a 'multi-stage process, that must be followed in order to undertake and complete a research project'. However, when conducting research it becomes clear that there are numerous research processes available to choose from but many of these differ in the number of steps a research process should be. Saunders et al (2006) advise a ten stage process, they do not believe that the process is as linear as some authors claim it to be and therefore allow for 'reflection and revision' in their research process. Whereas Mouthino and Evans (1992) suggest as little as a six-stage process is sufficient.

For the purpose of this research, the research approach devised by Domegean and Fleming (2007) will be used. This is a seven-stage approach to conducting research and it details the sequence of tasks a researcher undertakes to gather and report information and aid decision making (Domegan & Fleming, 2007). This is clearly illustrated in section 3.4 of this research paper.

<sup>&</sup>lt;sup>58</sup> Bryman, Bell, 2007, Business Research Methods, Deductive Research, p. 16, 2<sup>nd</sup> edition, Oxford University Press

# 4.4 The Research Process

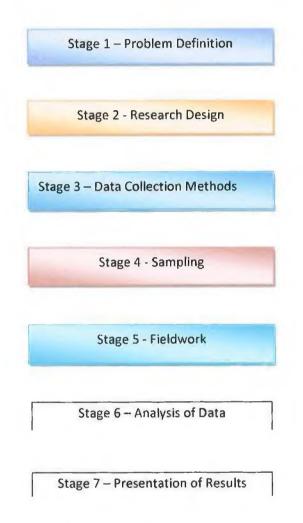


Figure 4.2: Source: Domegan and Fleming, 2007, The Research Process, p.21

## 4.4.1 Stage 1: Problem Definition

Defining the problem at hand is usually the first stage of a research project (Domegan & Fleming, 2007). The Primary objective of this research is to investigate the contribution that women make to the rate of entrepreneurial development in Ireland. This research is based upon female entrepreneurs only but involves the

process of entrepreneurship including both genders as the overall basis of the research. As the topic of this research is assessing the female entrepreneur's participation the researcher believed that for the purpose of this research that this group would be the focus.

## 4.5 Stage 2 Research Designs

Choosing the research design is the next stage in the research process. A research design 'provides a framework for the collection and analysis of data' (Bryman & Bell, p.40, 2007). Therefore it guides the completion of a research method, and the analysis of its subsequent data. There many variations of research designs which exist within the literature. Lee and Lings (2008) identify four types of research designs; the experimental approach, the cross sectional design, the longitudinal design and the case study design.

Similar to this Bryman and Bell (2007) identify different types of research designs; experimental, cross sectional, longitudinal, case study, but they also include a comparative design. However it is perhaps Domegan and Flemings (2007) classifications, which are more applicable to this research as they state how research designs can be classified into three categories; exploratory, descriptive and causal. For the purpose of this research both exploratory and descriptive research was conducted.

## 4.5.1 Descriptive Research

Descriptive research involves "gathering data that describe events and then organizes, tabulates, depicts, and describes the data. It uses description as a tool to organize data into patterns that emerge during analysis". <sup>59</sup> Its quantitative in nature as it measures 'the number and amount of variables present' (Domegan & Fleming, p.67, 2007). It benefits the research if the researcher has an understanding of the topic prior to conducting this type of research methodology.

Descriptive research can be further categorised into longitudinal and cross-sectional design (Domegan & Fleming, 2007). Longitudinal research design refers to when the research is conducted on a sample on more than one occasion (Bryman & Bell, 2007). Whereas a cross sectional research design, refers to when the research is conducted on a sample at a single point in time, in order to collect 'a body of quantifiable data in connection with two or more variables, which are then examined to detect patterns of association' (Bryman & Bell, p. 55, 2007).

Given the nature of these two choices a cross-sectional research design will be utilised as the research will be based on a single point in time and will involve two or more variables.

## 4.5.2 Exploratory Research

Exploratory research is conducted when the person is unfamiliar with the topic, and it aims to uncover and explore issues about the problem at hand, (Domegan & Fleming, 2007). It is valuable for the researcher as a means of finding out what is happening in areas in which little is known or if they are unsure about the exact nature of the problem (Saunders, 2006).

<sup>&</sup>lt;sup>59</sup> McNabb, Connie, Descriptive Research Methodologies, PowerPoint presentation, www.pangea.tec.selu.edu/~cmcnabb/philosop/power.ppt retrieved on the 5th of July 2010

For the purpose of this research exploratory research was used in the form of secondary research in regards to review of literature and primary research in regards to in-depth interviews. These were conducted in order to gain a greater understanding of the area of entrepreneurship, primarily the female perspective. This form of research was found to be beneficial to the author as it allowed a greater understanding of the area in question.

#### 4.6 Stage 3 Data Collection Method

Data can be collected in two ways namely primary and secondary research. Both of which are very significant methods when undertaking a study of this kind. Secondary research entails using data that already exists and that is readily available to the author. On the other hand, primary research is based on obtaining new data for the purpose of the author's research (Domegan & Fleming, 2007). For the purpose of this research both primary and secondary research was utilised. The secondary research method was first of all exhausted before the primary form of research was undertaken. The following sections will outline secondary and primary research more thoroughly.

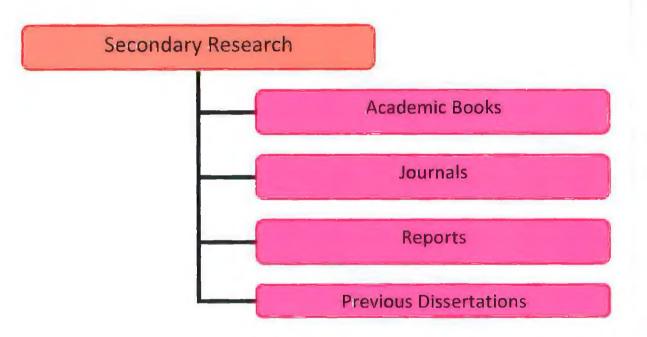
## 4.6.1 Secondary Research

Secondary information consists of sources of data and other information collected by others and archived in some form. <sup>60</sup> This data needs to be evaluated on the basis of how relevant it is to the research question, and also on its availability and accuracy.

<sup>&</sup>lt;sup>60</sup> Steward, Kamins, 1993, Secondary Research, Information Sources and Methods, Second Edition, Applied Social Research Methods Series, Volume 4

<sup>&</sup>lt;sup>61</sup> Brannick, T. And Roche, W. (1997) Business Research methods, strategies, techniques and sources, Irish studies in management, Oak tree press, Dublin

Certain sources of secondary data can include government reports, industry studies, archived data sets, and syndicated information services as well as the traditional use of books and journals. <sup>62</sup> The secondary research that was conducted consisted of a critical review of the related and available literature. A critical literature review is defined by Saunders et al (2006) as the 'detailed and justified analysis and commentary of the merits and faults of the literature within a chosen area, which demonstrates familiarity with what is already known about the research topic'. The literature review is a crucial part of the research and it provides the basis on which you justify your research questions and build your research design. For the purpose of this research a critical literature review was undertaken using a multitude of secondary sources of data. Below these secondary sources of research are illustrated.



#### Figure 4.3: Secondary Research Methods

<sup>62</sup> Steward, Kamins, 1993, Secondary Research, Information Sources and Methods, Second Edition, Applied Social Research Methods Series, Volume 4

A vast number of academic journals were used in the collection of information by the author. They proved a very valuable source of information concerning the aforementioned research title. These journals were readily accessible through the Galway/Mayo Institutes of Technology (G.M.I.T.) based in Galway City. The 'learn online' database allowed for quick and easy access to databases such as Emerald, Science Direct and Factfinder. These sites proved vital in gathering the required information necessary to complete this research.

Academic books were also utilised to their full extent in order to gather adequate information to benefit the research. The Galway/Mayo Institutes of Technology's library again proved to be of great assistance when gathering secondary data. They possess a vast amount of books that are directly related to the previously stated topic. Such books are listed in table 6 below:

Table 6: List of some Academic Books used

McGraw, Hill, 2006, Entrepreneurship	McClelland, Emma, 2004, Irish Female
and Small Firms	Entrepreneurs
Hisrich & Peters, 2009, Entrepreneurship	Steward & Kamins, 1993, Secondary Research
Brannick & Roache, 1997, Business	Bryman & Bell, 2007, Business
Research Methods	Research Methods

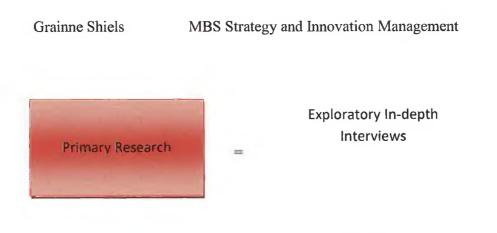
Reports also proved to be a great source of information. They provided the author with relevant information that was easily understood and added to the bulk of the research undertaken.

Previous dissertations could also be located in both the Galway/Mayo Institute of Technology and the James Hardiman library, located in NUI Galway. These proved useful in obtaining a greater perspective on what was regarded as acceptable referencing, layout and length of research questions.

The vast majority of the literary review (chapter 2) was sourced from the aforementioned sources of data. A large degree of the sources above had to be cut down to focus on the research in question. Most sources offered a wide range of information, some of which was not relevant to this topic. While a large volume of information was generated and read prior to beginning the literature review, the search for relevant information did not end there. Regular checks were made for new publications and more specific data as the subject area became more specific and writing up began.

#### 4.6.2 Primary Research

As previously stated all sources of secondary research have to be exhausted before the next step of primary research can be undertaken. For the purposes of this research it was decided that the primary research would be both exploratory and descriptive in nature, therefore the methods of data collection would take the form of in-depth interviews and questionnaires.



Descriptive Questionnaires

Figure 4.4: Primary Research Methods

## 4.7 In-depth Interviews

As the researcher has limited knowledge of the subject in question, it was necessary to seek outside expertise in the form of female entrepreneurs. This was achieved through in-depth interviews.

Three in-depth interviews were conducted. All participants were chosen as they fit the criteria specified (Female entrepreneurs) and they all possessed a wide knowledge of the area in question. The first interviewee was Finola O Reilly, owner and founder of Manor Hill Confectionary Company in Co. Cavan. The second was completed with another female entrepreneur known as Myra Welby, owner and founder of Myra's Hair Salon in Moycullen, Co. Galway. Finally Eileen Barrett, owner and founder of Bacus Bhearna Bakery situated in Barna, Co. Galway. These participants proved vital to this research as the information and insight they provided later proved to be invaluable to the research.

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In-depth interviewing is a "qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation". <sup>63</sup> The primary advantage of in-depth interviews is that they provide much more detailed information than what is available through other data collection methods, such as surveys. However there are some limitations that need to be recognised when considering using in-depth interviews as part of your research approach.

Although in-depth interviews can prove to be quite valuable in terms of gathering direct insight from your interviewee's, they can be quite time consuming in terms of gathering, analysing and organising the relevant data. The interviews are usually based on a small sample of people thus the opinions given may not reflect the population as a whole.

When conducting the interviews, the researcher developed an interview guide. This listed the questions or issues to be explored during the interview and included an informed consent form.

<sup>&</sup>lt;sup>63</sup> Boyce, Neale, 2006, Conducting In-depth Interviews: A Guide for Designing and Conducting In-Depth Interviews for Evaluation Input, p 3

# 4.8 Questionnaire

There are several methods of descriptive research that could have been chosen to use but for the purpose of this research it was felt that research in the form of a questionnaire would provide the greatest in-sight. A questionnaire can be defined as a 'list of a research or survey questions asked to respondents, and designed to extract specific information. It serves four basic purposes:

- 1. Collect the appropriate data
- 2. Make data comparable and amenable to analysis
- 3. Minimize bias in formulating and asking question
- 4. To make questions engaging and varied<sup>64</sup>

All the steps listed above were taken by the author when forming the questionnaire utilised in this research. The author kept in mind that there are both disadvantages and advantages to using this form of research. These are listed on the following two pages of this dissertation.

<sup>&</sup>lt;sup>64</sup>Business Dictionary.com, 2010, Questionnaire Definition, http://www.businessdictionary.com/definition/guestionnaire.html retrieved on the 6th of July 2010

4.8.1 Advantages of questionnaires:

There are numerous advantages that can be gained from using questionnaires as your research method.

- The responses are gathered in a standardised way, so questionnaires are more objective, certainly more so than interviews.
- The format used is familiar to most respondents. <sup>65</sup>
- Generally it is relatively quick to collect information using a questionnaire.
- They can be used for sensitive topics which users may feel uncomfortable speaking to an interviewer about.
- Potentially information can be collected from a large portion of a group.
- Respondents have time to think about their answers; they are not usually required to reply immediately. <sup>66</sup>
- They are relatively quick and easy to construct.

<sup>&</sup>lt;sup>65</sup> NA, 2006, Questionnaires, <u>http://www.evalued.bcu.ac.uk/tutorial/4a.htm</u> retrieved on the 26th of June 2010

<sup>&</sup>lt;sup>66</sup> Milne, John, 2007, Advantages and Disadvantages of Questionnaires, <u>http://www.icbl.hw.ac.uk/ltdi/cookbook/info\_questionnaires/printable.pdf</u> retrieved on the 24th of June 2010

4.8.2 Disadvantages of questionnaires:

However, in contrast to the advantages that can be gained from undertaking questionnaires, there are also some disadvantages associated with their use.

- Questionnaires, like many evaluation methods occur after the event, so participants may forget important issues.
- Questionnaires are standardised so it is not possible to explain any points in the questions that participants might misinterpret.
- Open-ended questions can generate large amounts of data that can take a long time to process and analyse.
- Respondents may answer superficially especially if the questionnaire takes a long time to complete.
- Participants may not be willing to answer the questions. They might not wish to reveal the information or they might think that they will not benefit from responding perhaps even be penalised by giving their real opinion. If possible the questionnaire should be anonymous.<sup>67</sup>

http://www.icbl.hw.ac.uk/ltdi/cookbook/info\_questionnaires/printable.pdf retrieved on the 24th of June 2010

<sup>&</sup>lt;sup>57</sup> Milne, John, 2007, Advantages and Disadvantages of Questionnaires,

## 4.8.3 Questionnaire Design

The design process of the questionnaire played a vital role in achieving the appropriate results. Every question submitted had to have a purpose and had to be worded specifically to make it clear what the question was asking. It is important to keep your main objective in mind when considering what questions you want to ask. A well designed questionnaire is essential to maximise the response rate. There are five steps in formulating a questionnaire. These steps will be outlined below:

## 4.8.2.1 Steps in Designing and Administering a Questionnaire

- 1. Defining the objectives of the survey
- 2. Determining the sample group
- 3. Writing the questionnaire
- 4. Administering the questionnaire
- 5. Interpretation of the results <sup>68</sup>

Saunders et al (2006) outlines three question types, which are often used in questionnaires. These include open questions and closed questions. Open questions were used in this research to allow respondents to provide details of their own experiences and beliefs. It would have been impossible to use any other type of question in this instance. Closed questions were also frequently used throughout this process, respondents were given a list of options to choose from, in some cases multiple options could be selected and in other cases just one selection was required. Therefore a combination of both question types was used in this research.

<sup>&</sup>lt;sup>68</sup> Brace, Ian, 2008, Questionnaire Design: How to Plan, Structure and Write Survey Material for Effective Market Research, p35-66

The writing of the questionnaire as previously mentioned is a very important element in achieving the required results. Milne (2007) states that 'it is the researcher's job to ensure that the respondents will not feel intimidated, challenged or threatened by the questionnaire'. Researchers should use clear, simple and unambiguous words; leading and loaded questions should be avoided (Domegan & Fleming, 2007).

As part of the questionnaire which was distributed, the respondents were required to give general information about them as well as more specific information. This included information regarding their thoughts and beliefs on particular subjects specified by the author.

The distribution of the questionnaires was another important step in accessing the information. It was decided by the author that the sample of respondents used would have a limit on it. The main characteristic of the participants was that they were all to be female entrepreneurs either currently in business, previously in business. There was no age limit on this research. The women could be based on any number of sectors. All of the participants had residency in Ireland. The distribution of the questionnaires was a relatively easy step once this population limit was decided. The questionnaires were circulated in the form of self-administered questionnaires. This occurs when the questionnaire is administered by the interviewer or by someone in an official position. <sup>69</sup> Each participant was given as much time and privacy as was required to make them feel at ease. After all questionnaires were gathered and assessed.

<sup>&</sup>lt;sup>69</sup> Oppenheim, Naftali, 1998, Questionnaire design, interviewing and attitude measurement, New Edition, p 103

The assurance of complete confidentiality was given to all participants. This ensured that the author would receive answers and opinions from the respondents that were more likely to be realistic. Oppenheim (1998) states that when undertaking questionnaires the interviewer 'must take steps to ensure that no information given will be published about identifiable persons or organisations without their permission'. This is one of the most effective ways of ensuring accurate responses.

Pre-tests of the questionnaire were conducted to ensure that the questions that were being asked were appropriate. After each pre-test the questionnaire was revised through either the elimination or addition of questions. A pre-test is a trial run of the questionnaire and should 'stimulate as closely as possible the actual research conditions under which it will be administered' (Domegan & Fleming, 2007).

It was decided that by revising the questionnaire after each pre-test that this would further enable the participants to answer the questionnaire more adequately. If the questions were deemed to be lacking focus or unclear in some way then the process of eliminating said question was embarked on. If the researcher deemed the results of the questionnaires after the pre-tests to be lacking vital information, then new questions were added that offered a greater significance to the research.

#### 4.9 Stage 4 Sampling

Sampling is an extremely important stage of the research process. It is about 'taking a small portion of the larger part and drawing conclusions about the larger part from our experience of the smaller part' (Domegan & Fleming, p. 372, 2007). Selecting an accurate sampling plan is extremely important and it can determine the success or failure of the research.

### 4.9.1 Define the Target Population

The target population was first of all narrowed down to what the author felt would warrant the most viable information for this particular research. The primary necessity was to ensure that the participants taking part in the research had an entrepreneurial background. This guaranteed a collection of data that would benefit the research rather than limit it. It also ensured that the respondents knew about the subject in question and could give greater in-sight in regards to the questions being asked of them.

The researcher then made the decision to place a limitation on the gender of the participants. It was decided that only women participants would be asked to take part in the research. This again ensured the most viable collection of valuable data. It also helped avoid the problem of too much information being given and opposing opinions between genders. It was finally decided that the population in question would be primarily residents of Ireland as this would lead to faster distribution of the research questions.

#### 4.9.2 Choosing a Sampling Method

The next step of the sampling process is to choose a sampling method. There are two possible sampling methods which can be employed in this instance. The primary decision is whether to use probability or non-probability sampling. A probability sample is 'a sample that is selected using random selection so each unit of the population then has a known chance of being selected'. Whereas non-probability sample has not been selected 'using a random selection method and therefore some units have a greater chance of being selected than others' (Bryman & Bell, 2007).

The sampling method chosen in both the in-depth interviews and the questionnaires was non-probability sampling. Non-probability sampling 'relies on the personal judgement of the researcher rather than chance to select sample elements' (Malhotra, p. 364, 1996). It is subjective as the researcher chooses the sampling members (Domegan & Fleming, 2007).

Non-probability sampling can take the form if quota sampling, convenience sampling and snowball sampling. Convenience sampling was the chosen sample for this research. This is a sample, which is available to the retailer 'by virtue of accessibility' (Bryman & Bell, p.198, 2007). However, there are many limitations associated with convenience sampling such as its difficulties with inferences and generalisations (Domegan & Fleming, 2007).

Despite these concerns, convenience sampling was deemed to be the best option for this research. This was primarily due to the time constraints associated with completing this research. In addition, budget constraints were also an influencing factor. Due to this, a convenience sample was deemed to be in the research's best interests.

#### 4.9.3 Determining the Sample Size

For the descriptive element of this research it was decided that 20 questionnaires would be used to retrieve the necessary data. This amount was decided upon by the author in correlation with previous research examples in this area. It was believed that this amount would ensure an adequate return rate. When random sampling is used it is believed that return rates for moderate length questionnaires is good at 50-70% (Babbie & Benaquisto, 2002). <sup>70</sup>

<sup>&</sup>lt;sup>70</sup> Kirby, Greaves, Reid, 2006, Experience Research Social Change, Methods beyond the Mainstream, Second Edition, p 131

In terms of the exploratory research it was decided that two in-depth interviews would gather the right amount of data needed to give a realistic account of the area being researched. These interviews would provide a practical point of view as well as a deeper in-sight into the participant's thoughts and beliefs.

#### 4.9.4 Choosing the Sample

The sample primarily was limited to people with an entrepreneurial background. Next it was limited to only female participants with an entrepreneurial background. There was no age limit on this sample. Samples of 20 female entrepreneurs were first of all chosen to participate as they met the criteria specified by the author.

#### 4.10 Stage 5 Fieldwork

At this stage of the research process, the researcher begins the collection of the primary data. The researcher undertook the fieldwork over two stages;

- Firstly three in-depth interviews took place with the industry experts.
- Then the questionnaires were distributed to the sample.

# 4.11 Stage 6 Data Analysis

Fieldwork can be defined as 'practical work carried out by staff or students of the University, for the purposes of research and/or teaching, in locations which are not under the control of the University'. <sup>71</sup> Immediately after the fieldwork is completed the gathering, analysing and compiling of the data received began.

The compiling of the data received through the exploratory in-depth interview was easily compiled and analysed very quickly. This entailed discovering the areas in which there were similarities, differences and any other relevant data that could be useful in this research.

Analysis of the surveys was harder and proved to be time consuming. Domegan and Fleming state that while data analysis is usually unique to each study, it does require the researcher to perform the following tasks;

- Editing
- Coding
- Tabulation
- Summarisation

<sup>&</sup>lt;sup>71</sup> Reid, 2006, Fieldwork Health and Safety, The University of Edinburgh, Second Edition, p2

# 4.11.1 Editing

This is the first step in the analysis of the data retrieved from the questionnaires. It is to ensure that all information giving is of use to the research. All questionnaires received were deemed to be useable. Little to no editing had to be undertaken.

#### 4.11.2 Coding

This is a very important step in this process of analysing all the quantitative information collected. It prepares the questionnaire documents for entry.

#### 4.11.3 Tabulation

After responses are assigned values it is also necessary to count how many responses correspond to each value. This process is called tabulation (Domegan & Fleming, 2007). Tabulation can take the form of simple tabulation of cross tabulation.

4.11.4 Summarisation

The end result of the research undertaken was summarised and put into appropriate tables, charts and diagrams. These are featured in chapter five of this research paper.

# 4.12 Stage 7 Presentation of Results

The main objective of this part of the research is to ensure that all information gathered is focused and clear to the reader of the research. This is one of the last steps in compiling your research findings. The results of the research can be seen in Chapter five of this research paper.

# 4.13 Limitations

There are limitations for every type of research that an author conducts and this case was no exception. Limitations arose in terms of time and budget constraints. These were the first limitations to arise when both the descriptive and exploratory research was being completed.

The questionnaire approach to the research was chosen as there were budget constraints in terms of disposable income on behalf of the author. The author felt that this was a relatively low cost method of achieving the desired results whilst not straining finances. If the budget for this research was larger, then other data collection options may have been chosen.

In terms of time constraints, the amount of time to complete this research was one of them. The time limit on this particular research was set at 11 months. However, due to the heavy workload of the course that was being completed at the same time the author found that the majority of the research had to be completed in the last 3 months of the completion date. Also in relation to the interviews that were done, organising a time where both the interviewer and the interviewee were available was difficult.

Wording of the questionnaires was also a difficult task. It was important to word the questions appropriately as to extract the relevant information from the participants and to ensure that they felt comfortable enough to give their true in-sights and opinions on the subject.

# 4.14 Conclusion

The basis for this chapter was to outline the research methods used in conducting this research. It began with an in-depth look into both the primary and secondary forms of research. These areas outlined the types of secondary and primary research that was available to the author and the methods that would be most beneficial to this particular type of research. The primary research was conducted in two parts. The first of these were the two in-depth interviews which were conducted as part of the exploratory research. As part of the primary research the author also felt that descriptive research, in the form of questionnaires, would be beneficial to the research. From using both secondary and primary methods of research the author gained a better understanding and in-sight into the subject area. The results of the findings will be shown in Chapter five of this report.

# Chapter Five Research Findings

# 5.1 Introduction

This chapter will explore the findings of the research. The results have been achieved through extensive research, the use of questionnaires and in-depth interviews. These research methods were deemed to be appropriate methods of data collection. All information gathered is that of primary research assembled by the author. It is based on the beliefs and opinions of the respondents of the research.

# 5.2 Key Findings

This area of the research will focus on the most important aspects of the research that were collected.

### 5.2.1 Timing of Responses

On the 28<sup>th</sup> of July all questionnaires were dispatched. Sixteen of which were sent through private mail to suitable candidates. These included past and present female entrepreneurs. The other 24 questionnaires were given to local female entrepreneurs in my area and the greater Galway region.

In relation to the 16 questionnaires sent by private mail it was found that the timing of responses was quite slow. A lot of the respondents simply opened the mail, read it and responded at a more convenient time for them. As there was a lot of time left to complete this section of the research, the slow response rate did not affect the research overall. The 24 questionnaires that were physically distributed by the author were answered on the spot so the response rate was deemed to be very fast. The rate at which the respondents replied can be seen in figure 5.1 below.





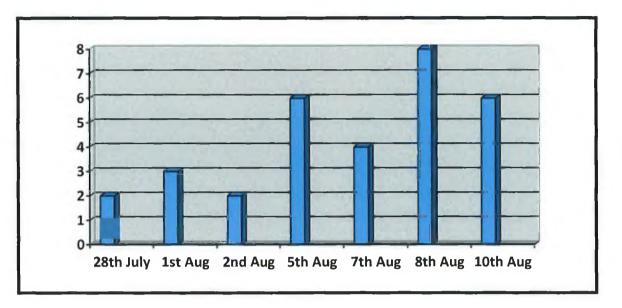


Figure 5.1: Analysis of Response Times and Number of Responses Received on Dates Specified

#### 5.2.2 Response Rate

In all 40 questionnaires were sent out to 40 female entrepreneurs around county Galway and the surrounding areas. Based on this sample of 40 questionnaires, 31 were returned with a response rate of 77.5 per cent. All questionnaires returned were deemed useable by the author. Below is the percentage of both the number of responses and non-responses.

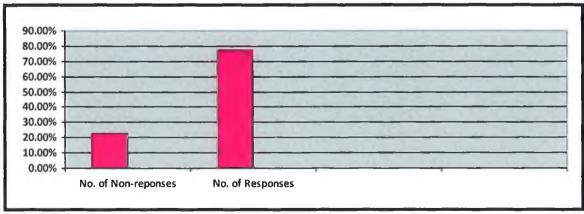


Figure 5.2: Number of Questionnaire Responses and Non-Responses

### 5.2.3 Respondents Profile

31 respondents completed the questionnaires created by the author. Of the 40 questionnaires all participants were female who previously or currently operated/operate in an entrepreneurial setting. There was no restriction placed on the age of the respondents nor was there a limitation on what area the respondents operated in. Limitations were placed on the gender of the participants as only a woman's perspective was needed to complete the research. Also a limitation was placed on the areas in which the women were situated in. Due to the time allocated and nature of the research the author felt that the wider Galway area was sufficient for this particular research.

#### 5.2.4 Respondents Experience

Overall there were 31 responses to the questionnaires circulated by the author. Of these 31 a total of 26 were currently in business. The types of businesses they operated ranged from hair-dressing companies, personal leather goods, retail businesses, confectionary companies and so on. The remaining 5 respondents had previously set up their own companies. Due to recessionary times or other reasons they had to postpone their aspirations indefinitely. But whilst talking to these entrepreneurs they were confident that they would one day start up a business again.

The number of years that these respondents were in business ranged from as long as 17 years to companies that were still in the developmental stages. The experience of these women increased in accordance with the number of years that they were in business. Of the 40 participants 16 were involved in the educational system and had awards in their chosen subjects. These 16 women undertook a higher diploma in the Galway/Mayo Institute of Technology.

# 5.2.5 Traits of the Female Entrepreneur

The participants as part of this survey were asked to identify what traits they believed a female entrepreneur possessed. They were given a list of possible traits which female entrepreneurs are stated to exhibit. <sup>72</sup> The results of this question were very interesting.

Trait number one was that of a Risk-taker. This is one that the author believed would generate a large percentage of agreement. In fact only 48.4% thought that risk-taking was a quality that today's female entrepreneurs exhibited. When questioned about this 100% of respondents stated that women took a longer time than their male counterparts in establishing a business. They thoroughly reviewed all risks involved and measured the seriousness of these risks in relation to starting up their business. A vast 51.6% of the respondents thought that risk-taking was not a trait exhibited by female entrepreneurs. Below the results are illustrated (fig 5.3).

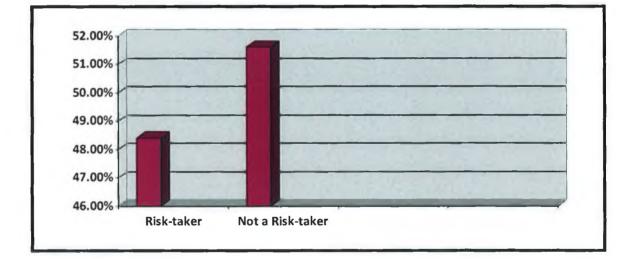


Figure 5.3: Percentage of Female Entrepreneurs believing that they exhibit Risk-taking

<sup>&</sup>lt;sup>72</sup> Hisrich, Peters, 2009, Entrepreneurship, The Nature and Importance of Entrepreneurs, Chapter One, p8

Self-believe was the next option given by the author in this list. This had a greater number of positive responses with 88.9% of the targeted population agreeing that self-believe was a attribute of the female entrepreneur. In other words only 11.1% believed they didn't have sufficient self-believe when starting their businesses. Again results are conveyed below (fig 5.4).

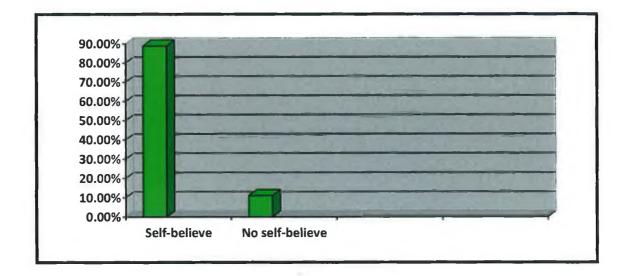


Figure 5.4: Self-believe Vs. No Self-believe

Initiative was the subsequent trait specified. 52.7% of respondents believed that they and other female entrepreneurs possessed initiative when setting up their respective businesses. Therefore 47.3% of respondents felt that this was not a trait that they possessed. This was another interesting finding as the author felt that this result would have much higher for this particular trait. Initiative can be defined as "identifying what needs to be done and doing it". <sup>73</sup> Although the author felt that this is a trait which both male and female entrepreneurs would possess, the results of the survey specified differently. Results are illustrated in figure 5.5 on the next page.

<sup>&</sup>lt;sup>73</sup> Cripe, Mansfield, 2001, The Value Added Employee, 31 competencies to make you irresistible to any company, p108

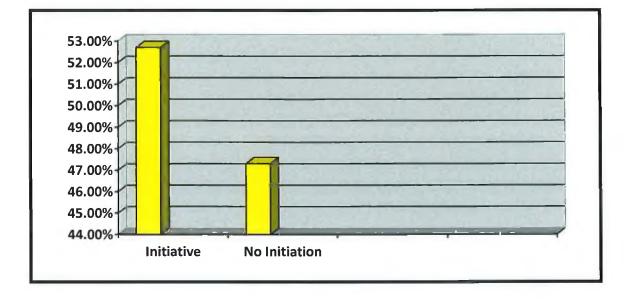


Figure 5.5: Initiative Vs No Initiation

'Goal orientated' was the next trait outlined. This showed a result of 68.2% stating that they were goal orientated and therefore 31.8% stating that they were not goalorientated. This again is an interesting finding as to set up your own business one needs to have a goal of doing so. But this sample of female entrepreneurs did not believe so.

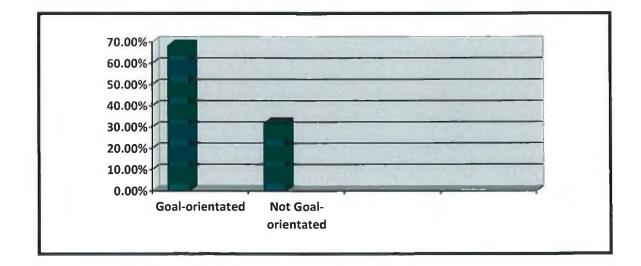


Figure 5.6: Goal-orientated Vs. Not Goal-orientated

Organisation is another trait which was specified in the survey list. 89.9% of respondents felt that they and other female entrepreneurs exhibited the trait of being organised when setting up their own businesses. This was one of the most positive results in relation to this list with 29 respondents out of 31 agreeing with this statement. 10.1% of the respondents did not put organisation as a skill which they felt they possessed.

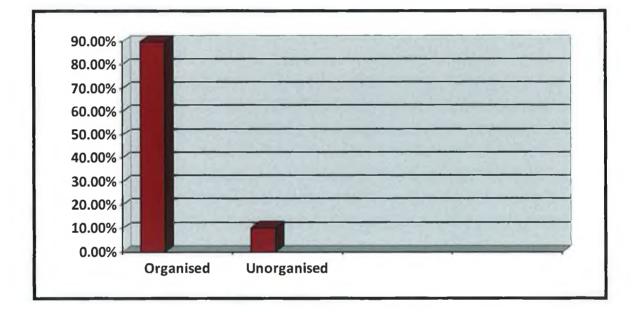
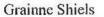


Figure 5.6: Organised Vs. Unorganised

'Driven' was the final trait stated by the author. The results of this were that 15 out of the possible 31 respondents stated that they felt that they and again other female entrepreneurs were driven. This calculates to 46.5% stating that they are driven whilst 53.5% feeling that they did not possess this trait. Results for this can be seen on the following page in figure 5.7.



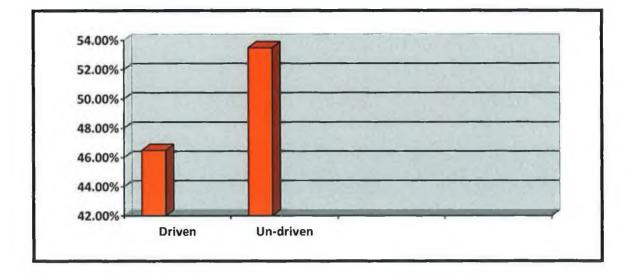


Figure 5.7: Driven Vs Un-driven

An option for the respondents to add another trait to this list was available. The following are the traits which were specified by the participants. Below lists the traits that the respondents as female entrepreneurs believe they exhibit.

- Multi-tasking skills
- Proactive
- Time Management skills
- Approachable
- Reliable
- Good listeners
- Trustworthy

This is not to eliminate the fact that these traits may be held by both male and female entrepreneurs alike.

#### 5.2.6 Male Entrepreneurs Traits

In this instance the same list of traits were given for the respondents to opt for. They did so by ticking the relevant boxes. The participants choose the traits that they felt best described the traits of the male entrepreneur in general. Again the list of traits was taken from Hisrich and Peters, 2001. The results of this research were tabulated. The results of this research can be seen in figure 5.8 below.

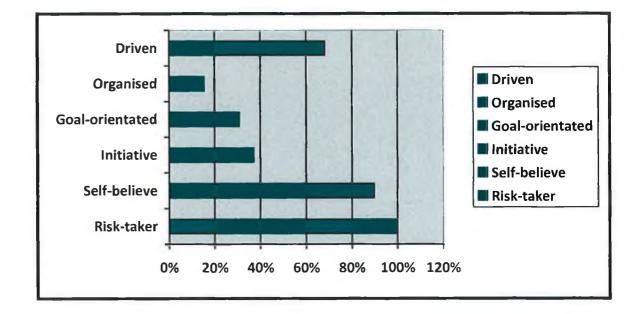


Figure 5.8: Percentage of Believed Male Entrepreneurs Traits

An option for 'other' was also given on this list of male traits. Only 31% or 10 respondents out of the possible 31 participants opted to give an answer to this option. The following are the traits chosen by the respondents who opted to give their opinion on this matter. Some of the traits specified over-lapped with one another. The three traits that were specified can be seen on the following page.

- Extremely self-confident
- Good 'speaking' skills
- Flexible

### 5.2.7 Is Gender an issue in Starting-up a Business?

Through the collection of the author's research it was found that many writers and scholar's wrote of gender inequality. It was then felt that this area should be addressed through the use of questionnaires. It was simply approached by asking the question of whether the respondents felt that "in this day and age do they feel that gender is an issue?" The following figure conveys the results of the author's findings.

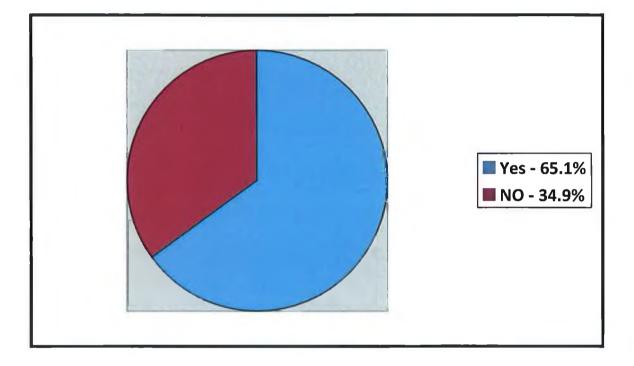


Figure 5.9: Statistics on whether Gender is an Issue when Starting-up a Business

21 out of the possible 31 respondents agreed that gender was still an issue today. This is an interesting finding as only 10 of the respondents felt that gender was not an issue in today's society. This was not an expected outcome in this particular instance and proves the point that the issue of gender inequality needs to be combated more effectively.

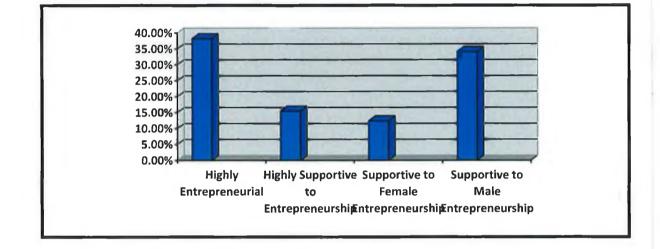
An option was then given for the respondents to offer an opinion on why they felt that gender was still an issue. This was only answered by 9 of the participating 21 respondents. The following are the results of the answers given.

- Men are given more credibility than women
- They tend to receive loans/grants etc easier than women
- They are treated with greater respect than women
- They are still viewed as the 'primary bread winner'
- Are promoted ahead of their female counterparts
- They have less family responsibilities therefore often hired before women

These are the results summarised as several respondents gave the same opinions as to why they felt that gender was still an issue. All opinions are based solely on that of the respondents surveyed.

### 5.2.8 How Entrepreneurial is Ireland?

All 31 of the respondents gave their opinion on this question. Respondents were given four options which can be seen in Appendix 2 of this research paper. The following figure shows the results of the respondent's opinions on this particular matter. All participating interviewees gave the opinion that Ireland was viewed as a highly entrepreneurial country. This is not shown in the figure below.



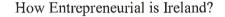


Figure 5.10: How Ireland is viewed in relation to Entrepreneurship

### 5.2.9 Should there be further incentives for female entrepreneurs?

100% of all respondents gave their opinion. An incentive can be best described as "serving to induce or motivate". <sup>74</sup> Incentives in this particular case were in the form of government grants or aid to further encourage women to set up their own businesses.

<sup>&</sup>lt;sup>74</sup> Gilbreth, Lillian, 2008, The Psychology of Management, The function of the mind in determining, teaching, Chapter one, p13

All but 2 respondents in this case agreed that there should be further incentives for women in the business environment in Ireland. This is a massive 89.9% of all participants that were surveyed. Respondents were then asked, if they agreed with the statement, what kinds of incentives should be offered. These incentives also ranged to increased opportunities for women in the workplace and in the business environment in general.

There were several options given by all respondents. These are listed below:

- Increased grants from government Funding Agencies/ Feasibility grants
- Further Information given about how to start-up your own business
- Increased training and education opportunities
- Increased opportunity in workplace management
- More emphasis placed on business ideas that are service based and possibly non- exportable
- Cost of living support while setting up a business
- Support with child care finances while setting up a business
- A 'one stop shop location' to complete all requirements for setting up a business

The in-depth interviews which were carried out proved to show a similar response to that of the respondents who were surveyed. All three interviewee's cited government grants, increased training and education in the entrepreneurial field and further information for potential female entrepreneurs as their desired aid. Government bodies such as IDA and Enterprise Ireland offer a variety of support and funding for entrepreneurs to large companies.<sup>75</sup> This research has found that an astonishing 89.9% of the targeted female entrepreneurs feel that this is not enough support.

#### 5.2.10 Difficulties or Challenges Faced by Female Entrepreneurs

This topic has been dealt with in great detail throughout this research. The author wanted to gauge what the opinions of female entrepreneurs in the surrounding area were on this matter. Respondents were given six options to choose from. The author felt that these options best conveyed the difficulties faced by the modern day female entrepreneur. The author established this through extensive research on the topic through both secondary and primary research. Respondents were given the option to choose more than one difficulty or challenge that they may have faced. The list of options will be illustrated below:

• Family Responsibilities – As some of the respondents did have children, they felt that this was not a difficulty that they faced when attempting to set up their own business. 15 respondents out of the possible 31 selected this as being a difficulty they faced when setting up their respective businesses. It can be recorded that 46.5% of respondents opted for family responsibilities causing them some difficulty when starting their business.

<sup>&</sup>lt;sup>75</sup> Enterprise Ireland, 2010, Finfacts Ireland, Business and Finance Portal,

http://www.finfacts.com/Private/tax/ei.htm retrieved on the 11th of July 2010

- Financial Support from Banks Again as some respondents had their own equity when starting their respective businesses; this did not prove a challenge for all participants. 13 out of the possible 31 respondents choose this as a challenge they faced. This in percentage form is 40.3% of the targeted population.
- Financial Support from Government Funding Agencies This funding is in the form of aid from the government and grants. A massive 17 respondents cited this as hindering them in starting up. Aid from the government can be a great aid in helping both male and female entrepreneurs in gathering equity to fund their ventures. 52.7% of respondents choose this as one of their options.
- Time Restraints This refers to time restraints in relation to setting up their business and balancing this with their everyday lives. Only 5 respondents cited this as hindering their ventures. This corresponds to 15.5% of the targeted population. The lowest percentage of all options thus far.
- People This refers to any person who was involved in the process of setting up their businesses. 6 out of the 31 respondents choose this as presenting a challenge when starting their businesses. This shows an average of 18.6% of the targeted population.

An option was given for the respondents to give their own perspective on the subject by adding another option to the list. This resulted in the majority of respondents choosing the recession as a challenge, citing that it was hard to gain funding due to the economic downturn. The market being flooded with similar businesses or products was also a challenged given. 15.5% cited the recession while 6.2% cited the market being flooded as their main challenge.

# 5.3 Profile of the In-depth Interviewee's Respondents

Three female entrepreneurs were chosen to participate in this research. All operate in different areas of the market and have proven to be successful in their respective businesses. Below is a table which shows the respondents to the interview.

Table 7: Interview Participants - Times and Dates

Names of Female Entrepreneurs	Names of Businesses	Date and time of interview
Finola O Reilly	Owner and founder of Manor Hill Confectionary Company	28 <sup>th</sup> of July 2010, 2.30 pr
Myra Welby	Owner and founder of Myra's Hair Salon	5 <sup>th</sup> of August 2010, 1.00pm
Eileen Barrett	Owner and founder of Bacus Bhearna Bakery	11 <sup>th</sup> of August 2010, 1.00pm

5.4 What in your opinion are the main aspects of an entrepreneurial lifestyle that attract women?

This particular research was limited to the three female entrepreneurs who partook in the in-depth interviews. The author felt that this topic required a more in-depth analysis and therefore decided to use the exploratory in-depth interviews as the research method.

A need for greater independence or freedom was the primary opinion offered by all three interviewee's. Throughout the author's reading and research this is often cited as one of the primary reasons to set up a business. <sup>76</sup> The term in 'control of their own destiny' was mentioned. Financial gain was the next reason given by the participants. "Taking the risk of setting up your own business and there being chance of failure is terrifying but getting to keep all the profits is great motivation to do so" Myra Welby, 2010.

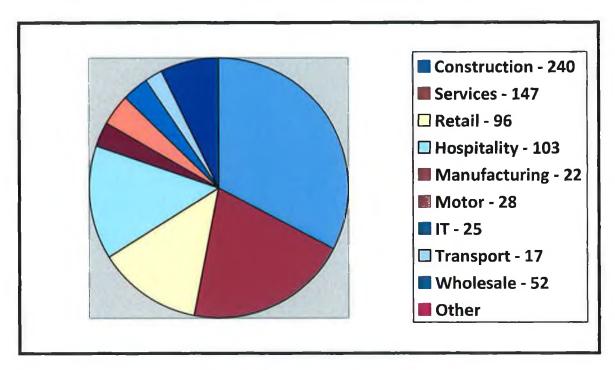
The interviewees outlined how the recession in Ireland at the moment also has encouraged many female entrepreneurs to set up their own businesses. Many have lost jobs due to redundancy. It was agreed that owning your own business is a safe way of ensuring that you have control over your career. The latest figures show that 39,105 jobs have been lost in 2010 due to redundancies.<sup>77</sup>

<sup>&</sup>lt;sup>76</sup> McGarry, Sean, 2004, A Guide for Starting up your own Business, Tipperary North County Enterprise Board, p1

<sup>&</sup>lt;sup>77</sup> O Brien, Ciara, 2010, Irish Times Article, Business news, Redundancies fall 16% in July, p 31

5.5 Did you as an entrepreneur starting off in your career face any barriers to entering your chosen market?

As stated in chapter two of this research paper 'female entrepreneurs account for only 15-18% of the total population of entrepreneurs in Ireland'. This was cited as being due to barriers or challenges that the female entrepreneur faces. A total of 792 businesses closed down between January and June of 2010. This shows an increase of 27% on the 622 recorded in the same period in 2009. <sup>78</sup> The respondents felt that this would be a major barrier if they were to set up business today. The number of business closures can be seen below (Fig 5.11):



Statistical data on business closures in Ireland January to June 2010

Figure 5.11: Statistical data on business closures in Ireland January to June 2010

<sup>78</sup> Finfacts Team, 2010, Markets News Friday: Total of 792 Irish companies failed in H1 2010;
 European shares rebound from 5-week low,

http://www.finfacts.ie/irishfinancenews/article\_1020062.shtml\_retrieved on the 11th of August 2010

In regards to barriers they faced when entering their chosen markets, the following list are the primary challenges they selected.

- Market flooded with similar products
- Not enough financial assistance from government bodies
- Hard to secure loans from financial institutes
- Family responsibilities

These challenges correspond with those of the survey respondents. They show a similar trend in regards to barriers faced by the average female entrepreneur. The recession was discussed in both forms of research as hindering the future generations of female entrepreneurs.

# 5.6 Do you feel that female entrepreneurs make a substantial contribution to the Irish economy?

100% of the interviewee's agreed that the female entrepreneur makes a substantial contribution to the Irish economy and worldwide. Describing famous female entrepreneurs like Patricia Callan (Director of Small Firms Association) and Caroline Downey (Founder of Childline) as but a few examples of outstanding female entrepreneurial contributors in Ireland.

Although statistics have shown (as seen in the introduction to this research, p7) that the male entrepreneur contributes 82-85% of entrepreneurship in Ireland, respondents feel that women overall make an important contribution to the Irish economy.

5.7 What sacrifices, if any, have you had to make to become an entrepreneur?

The life of an entrepreneur is a hectic one. It is filled with organising, managing and sometimes even manufacturing products from beginning to end. This can sometimes affect an entrepreneur's lifestyle and personal life. This was research that the author felt was necessary to establish what the sacrifices made by these women were and how that affected them.

A sacrifice can be defined as "Giving up of one's personal interests or well-being for the sake of others or for a cause". <sup>79</sup> The main areas which were highlighted in the interviews as being sacrificed were:

- Less time with their family
- Financial sacrifices
- Less time to enjoy activities

There are some sacrifices to all ventures but they have proved beneficial in all three interviewee's cases as all now have striving, successful businesses.

<sup>79</sup> Hubert, Mauss, 1981, Sacrifice: It's Nature and Function, Definition and Unity of the Sacrificial System, Chapter One, p9

2010

### 5.8 Conclusion

Throughout this chapter the findings from the literature review, the exploratory indepth interviews and the survey were presented. These findings represent some interesting facts about the female entrepreneur and their beliefs on certain aspects of the entrepreneurial life.

• 65.1% of the female respondents agreed that gender still plays a role in Ireland and throughout the world

The main challenges faced by the female entrepreneur were identified. Financial assistance from government funding agencies and family responsibilities represented the largest percentages with 52.7% and 46.5% respectively. All but two of the respondents cited that greater incentives were needed to further encourage the female entrepreneur. Their recommendations, including increased training and educational programmes focusing on the female entrepreneur, were great and interesting findings. The sacrifices made by female entrepreneurs centre mainly around time spent with family and loss of personal leisure time.

The main focus of this research was to distinguish whether the female entrepreneur contributes to the entrepreneurial setting in Ireland. This was an interesting finding also.

• 82-85% of respondents agreed that the female entrepreneur contribute greatly to the Irish economy

With the increase in the agencies to help the female entrepreneur start their new businesses and the recent statistical information on the numbers employed by female owned businesses (23.8 million in the US) this statistic can be deemed to be accurate.

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# Chapter Six Conclusions & Recommendations

#### 6.1 Introduction

The purpose of this chapter is to draw conclusions from these findings and the research as a whole. Recommendations will be made based on what is concluded. Recommendations for future research will also be discussed here.

# 6.2 Discussion

The primary purpose of this research was to investigate the contribution that female entrepreneurs make to small business start-ups in Ireland. The number of female entrepreneurs in both Ireland and the European Union was discussed and the numbers of institutions that are available to these entrepreneurs were evaluated. This was an important aspect of this research to establish whether female entrepreneurs are a regarded and treated as equal participants in the entrepreneurial workforce. This research was based on both existing and new data developed through the use of questionnaires and in-depth interviews. The results of this were seen in chapter five of this research paper. As a rather large 65.1% of the respondents felt that inequality still exists in the entrepreneurial workplace, it was deemed to be an existing challenge for the female entrepreneur.

The research looked at entrepreneurship throughout the centuries and its evolution regarding women and their contribution to society. Their evolution from housewife to high powered business person has been quite the transformation. With such famous names as Oprah Winfrey, Anita Roddick and Estēe Lauder who are only reinforcing the powerful position of female entrepreneurs throughout the world. Entrepreneurship has become a way of life for many people across Ireland and the European Union. As recessionary times grow stronger across the European Union it has become a necessity for both men and women to start their own business ventures as the lack of stable jobs are becoming less prominent. This way of life is set to increase over the coming years as people are now realising the potential for success that is involved in starting their own business. 100% of all respondents agreed that

the female entrepreneur contributes greatly to the Irish economy. They also felt that the number of female entrepreneurs in Ireland does need to increase.

Certain barriers have existed predominantly for the female entrepreneur. Through this research, areas such as access to finance, gender inequality and family responsibilities have been cited as the main areas which have caused problems for entry into the entrepreneurial world for female entrepreneurs. These barriers were discussed in great detail in this research. The use of questionnaires and the two indepth interviews were also utilised to get a more in-depth perspective on the challenges that female entrepreneurs face. All information gathered was based solo on the participants believes and opinions. Financial funding form government agencies and family responsibilities were cited as being the main challenges for female entrepreneurs while the recession and business closures were deemed to be the main barriers to entry.

The primary research, in terms of both the questionnaires and the two in-depth interviews, was limited to strictly female entrepreneurs who are currently in business or women who have been previously operating in an entrepreneurial scenario. The types of businesses in which my participants operate in are vast. They range from personal leather goods businesses to charitable organisations to hair-dressing companies. Historically, entrepreneurship has been a male dominated pursuit, but many of today's most memorable and inspirational entrepreneurs are women.<sup>80</sup>

Recessionary times of late seem to be a big reason as to why a lot of people are starting up businesses. From the research conducted it is clear that the current economic downturn has had an adverse effect on the female entrepreneurs profitability overall. The female entrepreneurs drive to succeed is another factor

<sup>&</sup>lt;sup>80</sup> Female Entrepreneurs, Famous Women Entrepreneurs,

http://entrepreneurs.about.com/od/famouswomenentrepreneurs/Famous\_Women\_Entrepreneurs.htm retrieved on the 8th of June 2010

which has led to an increase in this area. It is believed, through the primary research involved in this investigation, that the female entrepreneur exhibits outstanding initiative, self-belief and organisation.

### 6.3 Recommendations for Female Entrepreneurs

Throughout time, male entrepreneurs have been marked with being the 'primary bread winners' of their households. Nowadays this concept has changed in many respects. There are now twice as many women working as compared to 1950. <sup>81</sup> This is a time of great female influence in the entrepreneurial sector. Mary Kay Ash – voted most outstanding women in business of the 20<sup>th</sup> century has acted as a great inspiration to a vast amount of female entrepreneurs. <sup>82</sup> It is believed that through her books and motivational speaking that she has helped to inspire a vast half a million women to fulfil their dream of becoming entrepreneurs in their own right. The need for more strong female influences like Mary-Kay is badly needed in this setting.

Fear of failure is a big factor in determining whether to start-up a business or not. One of the many traits of an entrepreneur outlined in chapter two is that they are in general risk takers. The many potential female entrepreneurs considering entering into this sector need to keep this in mind. They need to look at all the successful female entrepreneurs that have been highlighted by the media and the ones who operate in their own communities for guidance and inspiration.

<sup>82</sup> Ash, Mary Kay, 2010, Female Entrepreneurship,

<sup>&</sup>lt;sup>81</sup> Henry, Colette, 2009, Female Entrepreneurship in Ireland, Centre for Entrepreneurial Research, p. 4

http://entrepreneurs.about.com/od/famousentrepreneurs/p/marykayash.htm retrieved on the 3rd of June 2010

Seeking government funding or loans from banks is also a good idea. They will have to make sure to draw up an appropriate business plan to show future prospects of their company. They will have to ensure that they convey that their business has the capability of being a success. Taking the time to do a sufficient amount of research on the sector in which they want to move in to is another area which should be looked at in great detail. Ensuring that there is a gap in the market for said business is crucial to its success. Knowing your business is vital.

As previously stated only 15-18% of the Irish entrepreneurial population is made up of female entrepreneurs. <sup>83</sup> Certainly with the recessionary times that are occurring at present this will have to increase in order for Ireland to make a substantial recovery. A greater focus on 'start your own business' programmes is a great way to try to increase this number also.

# 6.4 Recommendations for Future Research

This research was primarily aimed at establishing the contribution of the female entrepreneur to small business start-ups in Ireland. It had secondary objectives of analysing entrepreneurship as a whole subject, evaluating both male and female entrepreneurship and investigating the differences between Irish and other nationalities entrepreneurial behaviour in relation to female entrepreneurship. However, there are many opportunities for further research to be done in this area.

> Carrying out research on a broader scale – This may include interviewing people from different countries to gain their opinion on the subject in question. This may allow for a wider variety of answers and opinions.

<sup>&</sup>lt;sup>83</sup> Henry, Colette, 2009, Female Entrepreneurship in Ireland, Centre for Entrepreneurial Research, p. 4

- To look at a larger sample of people It would be interesting to look at a wider variety of participants to broaden the focus of the research. To possibly question a number of male entrepreneurs to establish how they view their female counterparts and if they feel that gender equality is an issue.
- Using alternative methods of data collection It would also be interesting to see whether using other methods of data collection such as web based surveys. While questionnaires and In-depth interviews were sufficient for this research, the use of this method of research may display different opinions due to different kinds of people being questioned.
- Setting specific deadlines prior to beginning research By doing so the researcher will have a clear goal. When the author will have all areas of the research covered should be set out. This may lead to a more organised research paper.

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# Appendices

## Appendix 1:

#### Anita Roddick – The Body Shop

Anita Roddick was born Anita Perella in Littlehampton in Sussex on October 23, 1942. She was the third of four children to Gilda and Donny Perella who were the owners of the Clifton Cafe. It was in their parents business where these children would learn their strong work ethic. She attended Maude Allen Secondary in Littlehampton and started her tertiary education to become a teacher. An opportunity to work in the Kibbutz presented itself and she took it and went to Israel in 1962. After an incident at the Kibbutz, she set out on the 'hippie trail' visiting places like Tahiti, New Hebrides, New Caledonia, Reunion, Madagascar, Mauritius, Australia and South Africa.

Her husband had set off on a trek across the Americas (on horseback) and Anita had to provide for their two daughters. She opened a cosmetic shop in Brighton by the name of The Body Shop. The shop was painted green - "to cover the damp spots," in her words - and had a strong environmental flavour. They had 15 products that she had made herself, which was based on the cleansing rituals of women that she had experienced on her travels. The finance for the shop came from the bank with the hotel as collateral.

By the time her husband returned from his 10-month trek, she had already opened a second store - she had made a deal with Ian McGlinn for a £4000 loan for half the business. Family and friends ran the first few shops. However, the demand for her shops and products were great, so they set up a franchise system for The Body Shop even though franchising was a relatively new concept in the UK at the time. From these humble beginnings, The Body Shop grew and then went public in 1984. Today, The Body Shop has over 1980 stores, more than 77 million customers, in 50 different markets and serving customers in over 25 different languages.

When Anita was 10 she had discovered a book about the Holocaust and this had a significant impact on her and influenced her to empathize with the human condition. She has gone on to become one of the most prominent and well respected social

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entrepreneurs in the world. Not only has she a strong sense of social responsibility, she has also ingrained these into her company values. As far as her social engagements go, she had the following to say, "We go where businesses never want to because they don't think it is the role of business to get involved."

Maybe you are thinking that you will also become 'socially responsible' once you are wealthy. This is not what she advises, instead she says, "*If you think you're too small to have an impact, try going to bed with a mosquito in the room.*" Yes, Anita Roddick used her wealth and reputation to advance causes she believes in and admire her for that. Not only has she kept her feet on the ground, she has grown her roots far and wide and are willing to take a stand for fledgling causes. Anita Roddick is definitely a social entrepreneur to admire.

Dame Anita Roddick passed away on September 10, 2007 at the age of 64.

### Oprah Winfrey - Talk show host, Entertainer and Entrepreneur

Oprah Winfrey was born in the South and though she had a fairly traumatic childhood, rose up to become a prominent talk show host and businesswoman. Through her company, HARPO (Oprah spelled backwards), she has expanded her stable of investments from the Oprah Winfrey Show, to O Magazine and Oxygen Cable Network.

She was born in Mississippi in 1954 to Vernita Lee and Vernon Winfrey - unmarried parents - and lived with her grandmother till the age of six. She then moved back to live with her mother, but was molested on several occasions and became fairly rebellious as a result. Her rebelliousness was somewhat restrained when she moved to stay with her strict father when she was fourteen years old. He inspired her to be the best she can be and won a scholarship to Tennessee State University.

Her career in television began as a news reporter and anchor for a station in Nashville. In 1976 she moved to Baltimore and featured in the early morning talk show 'People Are Talking'. This was the type of atmosphere she liked as she could

talk about- and express the things she felt strongly about. In 1984 she became the host of 'AM Chicago', which later changed to The Oprah Winfrey Show.

Rising above her troubled past, Oprah has become one of the most successful businesswomen around and frequently ranks in Fortune's list of the richest people in the world. She owns about 90% of HARPO Productions and her wealth is estimated at \$1 billion. Though she claims to know little about business, this mere figure suggests differently.

The thing I admire about Oprah Winfrey, besides her compelling and compassionate talk shows, is the way she has branded herself. One only has to mention the name Oprah and people instantly know whom you are talking about. Even her upstart magazine, O, when branded to her, became the most successful new magazine eclipsing even the likes of Fortune, Martha Stewart Living and Vogue in terms of paid subscribers. Oprah continues to be an inspiration to women (and some men) around the world and her non-assuming business acumen will keep her at the pinnacle of business success.

#### **Estēe Lauder biography - Classy and Feminine Sales Lady**

The early part of the Estēe Lauder biography is a mystery. Voting records has her birth date recorded as July 1, 1908, whereas her family says she was born in 1906. She was born as Josephine Esther Mentzer, the youngest of nine kids to immigrants Max and Rose Schotz Mentzer.

Her family called her Esty that became Estēe after a school official misspelled it as such. They lived in the apartment above her father's hardware store in Queens, New York.

Estēe Lauder started her career in selling when she agreed to help out her uncle, Dr Schotz, a chemist. She helped him sell some of the creams he made for the company, New Way Laboratories that he formed in 1924. She sold creams with names like Six-In-One Cold Cream and Dr Schotz Viennese Cream to beauty shops, beach clubs and resorts.

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In 1930 she married Joseph Lauter (which later became Lauder). They separated in 1939, only to remarry in 1942. She and her husband continued to make their creams in their factory - a converted restaurant - and Estee Lauder Inc. was formed in 1947. Their initial breakthrough came after they won a concession from Saks Fifth Avenue to sell their cream in 1948. After the initial products sold out in only two days, their path was set.

The product that put Estee Lauder firmly on the map came with the introduction of Youth Dew in 1953. At the same time it was bath oil and a perfume (retailing at \$8.50) and sold over 50,000 units in the first year.

Explaining her success, she said, "I have never worked a day in my life without selling. If I believe in something, I sell it, and I sell it hard." This attitude, together with an uncompromising belief in her product and the beauty in all women, made Estee Lauder a respected household name.

Over the years numerous lines were added to the Estee Lauder Companies. Names like White Linen, Cinnabar, Aramis, Clinique, Prescriptives, Origins, M.A.C., Bobbi Brown Essentials and Tommy Hilfiger. Estee Lauder continued to be actively involved in the company - always attending new launches - until she broke a hip in 1994. In 1995, the company raised \$335 million when Estee Lauder finally went public.

Estee Lauder died April 26, 2004, but her contribution is remembered. Today, Estee Lauder is a recognized brand name in over 118 countries with \$3.6 billion in annual sales and her family's shares are worth \$6 billion. Her company might never have set a trend, but they weren't ever left behind.

http://www.financial-inspiration.com/famous-women-entrepreneurs.html

## Appendix 2:



## <u>Ouestionnaire: An investigation into the female entrepreneur's</u> <u>contribution to small business start-ups in Ireland</u>

Dear Participant,

My name is Grainne Shiels. I am currently undergoing my masters in Business Strategy and Innovation Management at GMIT. I am carrying out research on the contribution of female entrepreneurs to small business start-ups in Ireland. My research supervisor is Mr. Ivan McPhillips.

The purpose of this questionnaire is to gain a greater perspective on women's role in relation to the rate of female entrepreneurship in Ireland. I would greatly appreciate it if you would take the time to answer the following questions. All information provided will be treated in the strictest of confidence. Thank you for your time and if you have any questions please do not hesitate to contact me on the email address given below.

Kind regards,

**Grainne Shiels** 

shlsgrnn@yahoo.co.uk

Grain	ne Shiels MBS Strategy and Innovation Management
1.	Are you currently in business? (please tickv)
	Yes
	(If yes to question 1, go to question 2 and if no go to question 4)
2.	If yes, what sector do you operate in?
3.	If yes, how long are you in business?
4.	What traits do you as a female entrepreneur feel you possess? (please tickV any of the following boxes)
	Risk taker
	Self- belief
	Initiative
	Goal Orientated
	Organised
	Driven
	Other
	If other, please state

2010

5. Do you believe that male entrepreneurs exhibit different traits? (Please tickV)

Risk taker			
Self- belief			
Initiative			
Goal Orientated			
Organised			
Driven			
Other			
If other, please state			

6. Do you feel that gender is an issue in starting up a business?

Yes

No

7. If yes to question 7, why do you feel that it is an issue?

8. Do you believe that Ireland is viewed as a:

Highly entrepreneurial country

Highly supportive to entrepreneurship

Highly supportive to female entrepreneurship

Highly supportive to male entrepreneurship

9. Do you believe there should be further incentives for women, in particular, to start new businesses?

No

Yes

10. If yes to question 12, what recommendations, if any, would you make?

11. What difficulties or challenges, if any, do you feel that you may have faced as a female entrepreneur when establishing your business? (please tick/)

**Family Responsibilities** 

Financial support from Banks

Financial support from Government Funding Agencies

Time restraints

People

Other

If other, please state:

Thank you very much for your time, it is greatly appreciated!

## Appendix 3:

#### **Exploratory research: Semi-structured Interviews**

Interview Questions: Based on in-depth interviews with:

- Eileen Barrett Owner and founder of Bacus Bhearna Bakery
- Finola O Reilly Owner and founder of Manor-hill Confectionary Company
- Myra Welby Owner and founder of Myra's Hair Salon
- 1. What in your opinion are the main aspects of an entrepreneurial lifestyle that attract women?
- 2. Did you as an entrepreneur starting off in your career face any barriers to entering your chosen market?
- 3. Do you feel that female entrepreneurs make a substantial contribution to the Irish economy?
- 4. Do you believe that gender still plays a role in regards to entrepreneurial business?
- 5. What sacrifice, if any, have you had to make to become an entrepreneur?
- 6. Should there be further incentives for female entrepreneurs?
- 7. What are the main challenges or problems, if any, that you have faced in your entrepreneurial career?
- 8. What traits do you associate with the female entrepreneur?
- 9. What traits do you associate with the male entrepreneur?