

# Exploring the entrepreneurial ability of women

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## **Are women as under-confident in their entrepreneurial ability as we have been led to believe? Dr Jennifer E. Jennings from the University of Alberta investigates**

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Across most countries included in the Global Entrepreneurship Monitor dataset, women still participate at lower levels than men in various forms of entrepreneurial activity. Several potential explanations for this gender gap exist, including the argument that women tend to be ‘under-confident’ with respect to entrepreneurship. However, a forthcoming study by professors Jennifer E. Jennings (University of Alberta), Zahid Rahman (University of Lethbridge), and Dianna Dempsey (MacEwan University) offers intriguing evidence for questioning this widely held belief.

### **Predominant portrayals of women’s confidence concerning entrepreneurship**

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The narrative that women are under-confident in their entrepreneurial ability stems from a patriarchal worldview. When viewed from this prevailing mindset, the lower average level of entrepreneurial self-efficacy (ESE) exhibited by women relative to men tends to be interpreted as evidence that women are ‘deficient’ in this regard. Moreover, because of this presumed deficiency, policymakers, educators, and training providers are often advised to design and implement initiatives for strengthening women’s entrepreneurial confidence.

### **Arguments for questioning the stereotype of women’s entrepreneurial under-confidence**

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Jennings and her colleagues were sceptical of the above-noted common portrayals of – and recommendations regarding – women’s supposed entrepreneurial under-confidence.

For one, they questioned an implicit assumption underlying the predominant portrayal; specifically, that men ‘naturally’ possess an appropriate level of confidence in their entrepreneurial ability. Instead, Jennings and her co-authors suggested that men might be prone to overestimating this ability, believing that their entrepreneurship-related skills are better than they are in reality.

An important implication is that the lower average ESE exhibited by women relative to men may actually reflect women’s tendency to possess an accurate sense of their entrepreneurial ability (i.e., self-assessments consistent with their genuine skill level) rather than under-confidence (i.e., self-assessments that under-estimate their ability).

Jennings and her co-authors also questioned a long-standing assumption underlying the recommendation to develop and implement entrepreneurship education/training programs designed primarily to strengthen women's ESE. In particular, they were sceptical of the implicit belief that a higher level of ESE is invariably 'better' for entrepreneurship. Although greater ESE is likely to increase an individual's likelihood of starting a business, the researchers argued that a heightened level of ESE might be detrimental to the venture's subsequent success if the individual has become over-confident in their entrepreneurial ability.

## **Two studies assessing predominant vs alternative interpretations of women's lower ESE**

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To assess the veracity of their arguments, Jennings and her colleagues conducted two distinct studies. The first was a university lab study conducted in 2010/11. Of the 237 student participants, 60% self-identified as female (40% as male). The participants completed a task that assessed their knowledge of the business opportunity evaluation criteria utilized by expert entrepreneurs. Jennings and her co-authors determined whether participants exhibited entrepreneurial under-confidence, accurate confidence, or over-confidence by the discrepancy between the participants' self-assessed versus actual task performance. The researchers then examined whether the type of entrepreneurial confidence exhibited by the participants influenced their willingness to take advantage of an opportunity to learn more about how they performed relative to the expert entrepreneurs.

For the second study, Jennings and her co-authors administered an online survey to adults living in the U.S. or the U.K. Of the 819 participants with usable data, 53% self-identified as women (47% as men). To help ensure that the findings from Study 1 were not task-dependent, the researchers asked the Study 2 participants to complete a different entrepreneurship-related exercise: generating business ideas in response to a short description of innovation. The researchers also implemented a different method for investigating potential downsides associated with entrepreneurial over-confidence, asking participants to respond to several venture creation scenarios.

## **Evidence for challenging gender-stereotyped beliefs about entrepreneurial confidence**

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A key takeaway from the two studies is that the gender gap in ESE does not necessarily imply that women are under-confident in their entrepreneurial ability. For instance, the female participants in Study 1 were more likely to exhibit an accurate level of entrepreneurial confidence than under-confidence – and those in Study 2 were just as likely to be accurately confident as under-confident. Moreover, in both studies, the women were just as likely as the men to demonstrate an accurate level of confidence in their entrepreneurial ability. Study 2 also provided some evidence that the male participants were more likely than the female participants to exhibit an over-confidence bias. Combined these findings offer an empirical basis for questioning the gender-

stereotyped belief that women tend to be under-confident regarding entrepreneurship. As one reader of Jennings, et al.'s research article put it: "Women aren't deficient with respect to their entrepreneurial ability – they just aren't delusional."

The findings from both studies also demonstrate that individuals who are over-confident in their entrepreneurial ability tend to exhibit a greater proclivity for behaviours that are arguably detrimental to new venture outcomes beyond the start-up decision. The Study 1 findings, for instance, showed that the over-confident participants were significantly less likely than those with accurate entrepreneurial confidence to take advantage of an opportunity to learn how they could have performed better. The Study 2 findings further revealed that the entrepreneurially over-confident participants were more likely than the others to prefer starting a firm in an unfamiliar rather than familiar context. The over-confident participants were also more susceptible than the others to escalate commitment to a no-longer-promising business idea. Collectively, these findings imply that entrepreneurship educators and training program providers must ensure that their (well-intentioned) efforts to strengthen women's ESE do not result in entrepreneurial over-confidence. As further noted by Jennings and her colleagues, their findings also imply the need for greater recognition of "an accurate level of entrepreneurial confidence as a strength to be emulated – by women and men alike" (2022: 21).

Jennings et al.'s research article is forthcoming in *Entrepreneurship Theory and Practice*. An online-first version can be accessed [here](#).



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