Factors that contribute to the gender gap in entrepreneurial self-confidence

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A study by Professors Dempsey and Jennings offers key insights into why women tend to be less confident than men in their entrepreneurial ability

In a <u>prior Open Access Government article, Dr Jennifer Jennings</u> shared intriguing evidence (from a study conducted with Dr Zahid Rahman and Dr Dianna Dempsey) challenging prevailing beliefs that women are 'under-confident' in their entrepreneurial ability.

Here, Professors Dempsey and Jennings share findings from a related investigation into the factors that can help explain why women's entrepreneurial self-efficacy (ESE) nevertheless tends to be lower, on average, than men's.

Theorized determinants of the ESE gender gap

To develop their hypotheses, Professors Dempsey and Jennings turned to classic work on the key factors that contribute to assessments of self-efficacy in general. According to Bandura's (1986) social learning perspective, these consist of one's prior performance on a similar task, observations of how similar others have performed on the task, one's feelings about the task, and feedback received from others about one's capability to perform well on the task.

Dempsey and Jennings suggested these four factors would also likely account for the gender gap in ESE that had been widely documented in prior research. More specifically, they hypothesized that the tendency for women to possess lower ESE, on average, relative to men would be partially attributable to women's:

- Lower likelihood of possessing prior entrepreneurial experience;
- Lower likelihood of observing similar others succeeding at entrepreneurial activity:
- Lower likelihood of experiencing positive feelings (and higher likelihood of experiencing negative feelings) about entrepreneurship and
- Lower likelihood of receiving positive feedback (and higher likelihood of experiencing negative feedback) on their suitability for entrepreneurship.

Quasi-experimental research design

Professors Dempsey and Jennings tested their hypotheses by focusing on young adults at the pre-career stage, collecting primary data through a quasi-experiment conducted at a major Canadian university.

The 222 study participants consisted of 140 female and 82 male undergraduate and graduate students from various programs. The participants provided background information through an online survey and completed a task relevant to entrepreneurship.

The entrepreneurship-related task involved sorting ten criteria for evaluating a business opportunity – e.g., novelty of the idea, ability to solve a customer problem, manageable risk – into those typically used by expert versus novice entrepreneurs. Based on their task performance, the participants were assigned to one of three feedback conditions (success, failure, or ambiguous).

Evidence corroborating the gender gap in ESE

Even though Dempsey and Jennings had collected their data from a highly educated sample of university students in a country supportive of entrepreneurial activity, they found that the participants' ESE levels corroborated the gender-based differential documented in prior research. More specifically, the female students scored significantly lower than the male students on both the pre-experiment and post-experiment ESE measures.

Factors that contribute to young women's lower ESE

So, which of the four hypothesized factors accounted for the young women's lower ESE? Prior entrepreneurship experience turned out to be a strong contributing factor.

The female students were significantly less likely than the male students to have already been involved in starting a business. The young women also rated the success of their prior entrepreneurial ventures significantly lower than the young men did. A subsequent mediation analysis revealed that each measure helped to explain the observed gender differences in ESE.

<u>No support was found for the hypothesized effects of entrepreneurial role models.</u> The female participants were just as likely as the male participants to report that one of their immediate family members was, or had been, an entrepreneur. Ratings of this role model's entrepreneurial success were similar across the young women and men.

As such, neither measure could help account for the observed gender differences in the participants' ESE scores. Professors Dempsey and Jennings acknowledged, however, that the findings for entrepreneurial role models might have been different if finer-grained data had been collected on the gender of the family member who possessed entrepreneurship experience.

The findings related to how the participants felt about entrepreneurship were especially strong – and somewhat unexpected. As Professors Dempsey and Jennings had hypothesized, the young women in their study possessed significantly lower positive feelings towards entrepreneurship than did the young men. This difference helped account for the observed gender gaps in the pre- and post-experiment ESE measures.

Surprisingly, however, the female participants also reported significantly lower negative feelings towards entrepreneurship than the male participants. This difference also helped explain the gender-based ESE differentials.

Finally, task performance feedback turned out to be highly influential – but not entirely in the way that the researchers had anticipated. The female participants were less likely than the male participants to receive success feedback in response to how they performed on the entrepreneurship-related task. The young women also ended up being more likely to receive failure feedback. Only the failure feedback, however, helped account for the observed gender gap in the post-experiment ESE measure.

Implications for public policy

Understanding how policymakers can bridge the well-documented gender gap in ESE is key to increasing women's participation in entrepreneurial ecosystems. In this regard, the study conducted by Professors Dempsey and Jennings points to the importance of implementing entrepreneurship education and training programs as soon as possible in the educational system (perhaps even at the elementary school level) so that more individuals of all genders are exposed to the possibility of an entrepreneurial career path from an early age.

The more specific findings unearthed by Dempsey and Jennings, with respect to the effects of entrepreneurship-related feedback and feelings on ESE, possess more nuanced implications for the content of such programs.

In particular, their findings point to the importance of ensuring they contain numerous opportunities for girls and young women to experience heightened positive emotions towards entrepreneurship while minimizing their exposure to negative feedback about their potential to perform well as an entrepreneur.

The full study by Professors Dempsey and Jennings can be accessed here.

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