

# Female Entrepreneurs – Out of the Frying Pan, Into the Fire?



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## ABSTRACT

This paper seeks to highlight and discuss two related issues pertaining to female entrepreneurs using recent Irish research. The first strand of the argument seeks to critically evaluate aspects of EU and Irish enterprise policy and its impact on female self-employed entrepreneurs. The European Union aims to become the most competitive and dynamic knowledge-based economy in the world and this involves *moving up the value chain* through the development of more technologically orientated industries where women are minority stakeholders (either as owners or employees). It is implicit in this policy that all participants will have acquired a high level of technical skills and literacy and this may place female entrepreneurs at a significant disadvantage. A second strand seeks to link the well-trodden debate on gender disadvantage in the labour market to disadvantages as female entrepreneurs. The paper argues that the issues which drive women from the labour market and into self-employment negatively impacts upon their performance as self-employed entrepreneurs – out of the frying pan and into the fire. This argument relies on the international literature for support, which suggests that females, moving from the labour market to self-employment, often do not have the business acumen and skill-set to

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make that transition successfully. It is arguable therefore that female self-employed entrepreneurs in Ireland may be doubly disadvantaged. In the first place, the skill-set that they have acquired through employment lacks critical business acumen. Secondly, the sectors to which they migrate are predominantly low-tech services with limited growth potential. This paper argues that economic policies and enterprise support policies contribute to the perpetuation of disadvantages faced by many female entrepreneurs. The paper is based on research findings carried out in the Dublin region.

**Key Words:** Female Entrepreneurship; Skills; Self-Employment; Business Acumen; Disadvantage.

## INTRODUCTION

Increasingly, over the past twenty years women are taking a more active role in the European workforce. However, as noted by Helms and Guffey (1997), in Europe, as in the United States, this revolution in the workforce is not reflected in the board rooms and executive suites where strategy is set and power resides. While EU equality legislation has had a major impact on promoting equal opportunities in the workplace (Helms and Guffey note that from 1980 to 1987 over three million jobs were gained by women that were previously held by men), the rise in jobs has not meant equality in wages, benefits and opportunities. This difference in pay and earnings is accounted for by the highly segregated nature of the labour market with women concentrated in what is generally referred to as the “secondary” labour market. Typically, the secondary market is poorly organised, consisting of low pay, low status, part-time or temporary employment. This is further compounded by the rapid expansion of the service sector, where women predominate.

In the United States, the structure of the labour market is similar to Europe. In an issue of *Working Knowledge* from Harvard Business School, Brush et al. (2004) discuss the issue of financing for female entrepreneurs, in which they identified and highlighted the earnings differential between male and female employees in the United States. For example, US professional women earn approximately 73 per cent of what their male counterparts are paid for the same work at commensurate levels of responsibility. In 1999, only

5 per cent of women executives were earning \$80,000 or more; in comparison 23 per cent of male executives were in the \$80,000 plus bracket.

The situation in Ireland's labour market reflects similar gender disparities with increased participation and increased activity in the service sector, but not necessarily equality of pay and promotion prospects. Ruane and Sutherland (1999) report that most sectors experienced significant increases in the proportion of females employed between 1987 and 1997, with the largest increase occurring in insurance, finance and business services, which rose by 78.9 per cent.

The issues identified by the equal opportunities debate have not been extrapolated to cover females in self-employment. It is arguable that for a significant number of women who leave the labour market to establish their own business, they experience considerable barriers in building their business, which are similar in many ways to those experienced by women in the labour market. For example, women continue to lag behind men in acquiring and building the substantial cash reserves necessary to finance a new business venture. Despite the closing of the wage gap between males and females, raising funds for starting their own business continues to be a greater challenge for women. For many female entrepreneurs, it is easier and cheaper to set up a business in the service sector, where a significant number of the start-ups are home-based with low technology and plant requirements. This pattern of start-ups for women contributes to the perpetuation of locating women in a sector with low income, low technology, low growth and over-subscription.

#### EU AND IRISH ENTERPRISE POLICY AND GENDER DISADVANTAGE

Small and medium enterprises (SMEs) represent a significant part of the European industrial landscape. They account for approximately 92 per cent of companies in Ireland and the European Union and almost two-thirds of employment. The majority of female entrepreneurs are located within the small and micro-sectors. The Lisbon European Council (March 2000) imparted a new impetus to enterprise policy by setting a new strategic goal for the European Union,

‘to become the most competitive and dynamic knowledge-based economy in the world ... by 2010’. The articulation of the European Union’s Enterprise Policy specifically includes (among other things) the promotion of entrepreneurship and a dynamic enterprise culture primarily through the development and exploitation of a knowledge-based economy. It is not surprising to find that Irish enterprise policy reflects similar goals and objectives to the European Union. Ireland’s economic vision is for the Irish economy to be highly productive and profitable in international terms, have a strong Irish-owned business sector (particularly in the high-growth, high-productivity, knowledge-intensive sectors), as well as to become a leader in the adoption and use of e-business. The Irish National Development Plan 2000–2006 (Government Publications, 2000) stresses the importance of developing a knowledge-based economy and the promotion of entrepreneurship in Ireland forms a significant part of government enterprise development strategy. It is worth noting that Irish enterprise policy recognises the importance of fostering a female enterprise culture and this is specifically mentioned in the Sustaining Progress Partnership Agreement. However, the agreement is lacking in detail on the nature of the supports that female entrepreneurs can expect to be available or created in the future.

A core value of EU economic policy is to promote and reward innovation and risk takers in business start-ups (European Commission, 2003), particularly among target groups such as women and the unemployed. When this value is articulated as an economic objective, it is referred to as *moving up the value chain* and involves the promotion and development of higher value jobs. It is arguable that an unforeseen spin-off of this objective is the exclusion of female entrepreneurs in this economic vision of ‘moving up the value chain’. A significant percentage of female entrepreneurs and self-employed are located in low-tech micro enterprises within the service sector. Implicit in this economic vision and policy objective is for participants to have a high level of technical skills, knowledge and competence. The drive to achieve Ireland’s economic vision inadvertently risks excluding a majority of female entrepreneurs operating micro-enterprises within the service sector. The pursuit of this economic vision acts a double-edged sword for a significant number of female entrepreneurs as many female entrepreneurs lack the critical business skills and acumen and

are ill equipped to face the varying demands of business – micro, small or medium – which is a direct result of their experience in a labour market based on vertical and horizontal occupational segregation (and skills acquisition) in a manner which broadly disadvantages them. A considerable body of literature supports this view (Bradshaw et al., 2003; OECD, 2002; Helms and Guffey, 1997; Carter, Anderson and Shaw, 2003). Female entrepreneurs in Ireland and Europe therefore risk being doubly disadvantaged. In the first place, the skill-set they have acquired through employment lacks critical business acumen. Second, the sector to which they migrate for start-ups is predominantly the low-tech service with limited growth potential. Thus, the European Union and Irish economic vision and enterprise support policy contributes to the perpetuation of disadvantage of female entrepreneurs.

In embracing the EU economic vision, Ireland has developed a number of initiatives to assist companies in moving up the value chain. For example, there is an initiative in place that is designed to identify and support high potential start-ups (HPSUs), which are defined as small in start-up, export-orientated and having high-growth potential. Once a company has been identified as a HPSU, it becomes eligible for an intensive level of support from Enterprise Ireland. However, where start-ups fall outside the definition of a HPSU, the County Enterprise Boards may provide assistance – including information, finance and ‘soft supports’. In Ireland, the majority of female entrepreneur start-ups fall within the County Enterprise Board’s remit of supports. Due to the location of the majority of female business start-ups in the service sector, they risk being excluded in sharing Ireland’s economic vision of moving Ireland up the value chain, and hence the perpetuation of the position of female entrepreneurs in the service sector. This vision therefore risks producing a two-tiered enterprise support model.

### GROWTH AND ALIENATION

Irish economic policy stresses the need for growth and business expansion, in particular for the development of HPSUs and ITS (internationally traded services) companies. This emphasis on growth has implications for female entrepreneurs rarely articulated or reflected in debates on economic policy. A Northern Ireland study (McMurray, 2002) on the implications of growth and female

entrepreneurs reported on findings of alienation experienced by female entrepreneurs feeling pressurised to grow and expand their business based on economic and enterprise policy. The findings suggested that the emphasis on growth may not be compatible with the goals and objectives of female entrepreneurs. McMurray (2002) argues that these models do not 'fit' the needs of many business-women who require a more flexible model which can accommodate a number of 'leave and re-entry' routes and stages to business growth. It is argued that Ireland's economic model – based on growth – reflects and favours a male-oriented business model. This model is designed in a linear fashion, whereby the entrepreneurial business venture passes through a predetermined sequence of stages dictated by the business life cycle or 'journey'. This 'one size fits all' economic model will not succeed and will risk distancing the majority of female entrepreneurs from growing their business. Based on the Northern Ireland research findings it would appear that female entrepreneurs need and take a different type of 'journey' to that of their male counterparts for family-related reasons.

US research findings also support the concept of a different journey when referring to female entrepreneurs. A study from the Kaufmann Foundation (2001) highlighted that women who have achieved fast growth for their firms have taken a more varied path to business ownership than their male counterparts. A recurring theme emerging from the literature is that female entrepreneurs are less likely to have relevant managerial or executive experience, despite the fact that increasingly they are likely to have a professional background (Mattis, 2000).

#### WOMEN AND SELF-EMPLOYMENT: THE *GHETTOISATION* FACTOR

A number of studies have investigated why women leave the corporate sector to pursue entrepreneurship. The research of Fielden et al. (2003) highlighted a number of the key issues in determining why they might leave:

- women corporate workers have consistently encountered a glass ceiling that has resulted in a lack of mobility, poorer pay and less advancement

- not being taken seriously
- feeling isolated in their organisations
- seeing others (males) promoted ahead of them

Some women experiencing the glass ceiling in their employment seek a solution by becoming entrepreneurs and setting up their own business, although such a solution may not solve the problem. A recurring theme within the literature suggests that women who become business owners lack many of the characteristics essential for business success (Moore, 1999; Marlow and Carter, 2004). Their location mainly within the service sector with low income (McMahon, 1994), low turnover and limited growth potential fuels the *ghettoisation* factor, although there are many social, economic and political issues contributing to and perpetuating the ghettoisation of female entrepreneurs. According to Mattis (2004), female entrepreneurs have fewer role models available to them than men. Another limiting factor identified by Fielden et al. (2003), based on a UK study, showed that when UK women experience horizontal occupational segregation, at management level, most of their management experience is in marketing and human resources. Moore and Buttner (1997) and Fielden et al. (2003) further argue that women have limited experience in financial and business services, and do not have managerial and business start-up experience. They further point out that a significant proportion of female start-ups in the United Kingdom end up in low income, low equity and slow growing micro-enterprises (Carter, 2000). Research in the United States regarding female start-ups reported that only 38 per cent of new firms started by women were still in operation after six years. They further made the point that these women business owners had limited access to venture capital, fewer employees and expanded at a slower rate than male-owned enterprises (2003). Several studies investigating the motivation of females in becoming entrepreneurs identified job dissatisfaction in employment as a major contributory factor. Some of the motivational research utilised a 'push-pull' framework to explain the motivation (Brush, 1992; Moore and Buttner, 1997). A further US study of female entrepreneurs (Mattis, 2004)

identified the following factors which contribute to women becoming entrepreneurs:

- they wanted to be in charge of their own destiny
- the need for more flexibility, especially with regard to children
- the 'glass ceiling'
- an unhappy work environment
- feeling unchallenged in their job

Some studies on the rationale for women becoming entrepreneurs point to the desire for a better work–life balance (Cromie, 1987; Carter and Jones-Evans, 1993; Moore and Buttner, 1997; Moore, 2002). There is a significant body of US and European research literature on the motivational factors on women's migration to the world of entrepreneurship that supports the view that women are pushed more than pulled to become self-employed and entrepreneurs. Furthermore, it would also appear from the research literature referred to above, that female entrepreneurs are generally ill prepared from a business skills perspective to take on this new role. Equally, it could be argued that the 'pull' factors responsible for the recruitment of women becoming self-employed and entrepreneurs have not delivered the life style that this new status promised. For example, some research suggests that women are attracted to self-employment because it gives them greater flexibility, more control over their lives and a better family work–life balance. The belief held by some women is that self-employment and entrepreneurship is more family friendly, giving women greater opportunities to spend more time with their family and achieve a better work–life balance. In a review of literature, McKay (2001) identified the primary reasons for women to become self-employed as independence (Sacirbey, 1998), autonomy (Kleinman, 1998; Moore and Buttner, 1997) and job loss (Omar and Sacirbey, 1998). Stills and Timms (2000) found that women also start their own businesses with the objective of 'making a difference'. This paper explores the motivational factors for women becoming self-employed and refers to the findings from an Irish study (Scaife, 2004).



### THE KNOWLEDGE-BASED ECONOMY AND THE DIGITAL DIVIDE

The OECD definition of the knowledge-based economy refers to 'an economy in which the production, distribution, and use of knowledge is the main driver of growth, wealth creation, and employment across all industries' (1996). The majority of female entrepreneurs in Ireland are not active participants in the knowledge economy due to their location in specific service areas. Furthermore, the majority of female entrepreneurs in Ireland are not active participants in the digital economy, again due to their service industry orientation. The non-participation of female entrepreneurs in two of Ireland's primary areas of economic growth – the knowledge economy and the digital economy – risks the alienation of women entrepreneurs within this digital divide. Ireland's economic policy is based on the Lisbon strategy for a European knowledge economy and reflects the European Commission's (2000b) economic vision for Europe. Cullen (2001) reviewed a number of research and policy papers which critiqued the digital divide and identified specific groups of people as being especially disadvantaged in their uptake of information communication technology (ICT) (these included people with low income and educational qualifications, the elderly and women). The ongoing debate on the *digital divide* refers to the gap that exists in most countries between those with ready access to the tools of information and communication technologies (and the knowledge that they provide), and those without such access or skills. It is possible that a significant proportion of female self-employed entrepreneurs in Ireland risk becoming victims of the digital divide as identified by Cullen. In a US report, *The Digital Divide and the American Society* (Gartner Group, 2001), it is argued that there is a very strong correlation between socio-economic status and participation in the digital economy, suggesting a strong cause and effect relationship. The barriers to women entering the technology sector have been identified by Liu and Wilson (2001) and include gender stereotypes and attitudes, family responsibility, working time constraints and lack of confidence. The ICT sector is often perceived to be a male domain and so the gender technology debate raises key issues and identifies the

problems and challenges of the global information society, specifically the challenge of inclusivity.

Ireland's economic vision of *moving up the value chain* in the high-tech and high skills sector, which is based on the European Commission's economic vision (2000a), perpetuates a gendered economic landscape operating on two tiers: the higher tier mainly high-tech and male with significant enterprise supports, the lower tier mainly low-tech and female with significant barriers. Female entrepreneurs who inhabit the low-tech service sector will be reluctant participants in the knowledge-based economy, as reported in a survey of female entrepreneurs in the Dublin region (Scaife, 2004). The next section examines some of the research findings in this study and explores some of the issues and questions raised in the literature reviewed.

#### SURVEY FINDINGS – METHODOLOGY

This paper explores two central questions: firstly, does European and Irish economic policy run the risk of marginalising female entrepreneurs in its promotion of entrepreneurship and increase the risk of them becoming 'ghettoised' within the service sector? Secondly, to what extent do female entrepreneurs experience a new form of 'glass ceiling' and other barriers which are similar to women in employment? The first question is addressed in the earlier sections, while the second question is addressed in the section that follows and refers to the survey carried out on female entrepreneurs in the Dublin region. The methodology consisted of qualitative and quantitative research using a focus group of nine self-employed women in the Dublin region and a survey using a pre-coded questionnaire. The rationale for using focus groups was based on Domegan and Fleming (2003) who stated that qualitative research does not provide statistical answers. It is predominantly a diagnostic tool to find out what the issues are and how respondents feel about them.

The survey consisted of a sample of self-employed women in the Dublin region. For the purpose of the study the population was defined as all self-employed women registered on the County Enterprise Boards (CEBs) Women's Network (Dublin region), the database of Dublin-based female entrepreneurs who participated in

the NDP Gender Equality Unit study (2003) and female clients identified by the Dublin Business Innovation Centre (DBIC). There are four County Enterprise Boards in Dublin. Consent was sought from the CEO of each Board to contact their Women's Network group for the purpose of distributing the questionnaire. It should be noted that the issue of sampling did not arise in the present study, as the survey included all those self-employed women on the CEBs' Women's Networks, the NDP Gender Equality Unit database of Dublin-based female entrepreneurs, and the database of female entrepreneurs provided by the DBIC. At the time of this survey, the South Dublin CEB (SDCEB) did not operate a Women's Network. In this case, a postal survey was conducted of all female clients of the SDCEB. The study therefore utilises both quantitative and qualitative research for profiling women entrepreneurs in the Dublin region. At the time of conducting this research (February–April 2004) there were approximately 766 women in the Dublin region who had made contact with the County Enterprise Boards for financial and/or soft support services. Of this group, 129 women were members of the Women in Business Network. A further 72 were identified from the Enterprising Women's Network coordinated by the County and City Enterprise Boards. In total 201 questionnaires were distributed (i.e. 94 postal surveys and 107 on-site surveys) with 141 women responding to the survey. Ten of these questionnaires returned were incomplete. Therefore the total number of completed surveys received was 131, which gave a valid response rate of 65 per cent.

### FINDINGS

From an analysis of the research data, the following profile of the female entrepreneur emerged. This profile is at odds with Ireland's vision of moving up the value chain and becoming a leading knowledge-based economy by 2010. The emerging profile – low turnover, low-tech, service industry located – suggests that this group of entrepreneurs may be bypassed in Ireland's attempt at moving up the value chain due to their profile which falls outside the knowledge-based economy.

Table 1 shows the sectors in which the female entrepreneur respondents in the Dublin region are currently located. The table shows that almost 70 per cent are located within the service sector,

**Table 1: Current Sector**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	manufacturing	11	8.4	8.5	8.5
	services	91	69.5	70.5	79.1
	IT/legal/finance	10	7.6	7.8	86.8
	other	17	13	13.2	100
	Total	129	98.5	100	
Missing	System	2	1.5		
Total		131	100		

and supports the existing body of research which shows that female entrepreneurs are mainly located in the low-tech service sector. It is also worth noting that less than 8 per cent identified themselves as operating in the IT (information technology) sector, which supports the research findings of Richardson (2002).

From the survey, the emerging demographic profile of the female entrepreneur in the Dublin region shows that:

- nearly 80 per cent of respondents have business ventures located in the service sector
- the majority of respondents are aged in the 30–49 age groups
- a significant number of respondents hold some form of third-level educational qualification
- nearly a quarter of respondents are pursuing an educational qualification or training programme
- over 60 per cent of respondents have completed a ‘Start Your Own Business’ course (SYOB) or equivalent
- there is a near equal split between those who reported to have children and those who did not
- of those with children, the majority had two children
- half of respondents (with children) indicated that they have children eleven years old and younger. A further half indicated that they had children 12+ years old

- the most frequent forms of childcare reported was the use of a child-minder service either in the childminder's home or in the home of the respondent
- the majority of respondents indicated that they are the main breadwinners
- there is a near equal split between those who are first generation women in self-employment, and those who have parents who are currently (or have been) self-employed
- of those who reported to have a family background in self-employment, nearly half had business ventures in the service sector (i.e. services/ IT/legal/finance)

Table 2 shows that prior to becoming self-employed the majority of respondents were employees (65 per cent). A further 15 per cent of respondents were housewives, while 14 per cent described themselves as being either unemployed or redundant. The findings from the survey challenge OECD (2001) findings which suggested that there is a comparatively large 'push group' consisting of women who are more or less forced into setting up a business as an alternative to being unemployed. It is also worth noting the findings of the

**Table 2: Employment Status Prior to Self-Employment**

<b>Status Prior to Self-Employment</b>		<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Valid	Redundant/unemployed	18	13.7	13.8	13.8
	Employee	85	64.9	65.4	79.2
	Student	6	4.6	4.6	83.8
	Housewife	20	15.3	15.4	99.2
	Other	1	0.8	0.8	100.0
	Total	130	99.2	100.0	
Missing	System	1	0.8		
Total		131	100.0		

$N = 130$  (99.2%).

NDP Gender Equality Unit (2003) which showed that men are more likely to set up businesses as a direct consequence of redundancy.

For the purpose of the survey, three broad categories of occupational status were used for analysis. These categories are frequently used in Irish and international studies. While the categories do not give specific details of occupational status in terms of job title, they do provide a valuable insight as to the level of responsibility and organisational hierarchical position.

Table 3 shows that an overwhelming majority of respondents (79 per cent) were employed in either professional/manager or administrative/clerical occupations prior to setting up their business. This is an important finding, particularly when considered in conjunction with the findings of Fielden et al. (2003) in the United Kingdom, which showed that female entrepreneurs, prior to becoming entrepreneurs, experience horizontal occupational segregation with the majority of their careers being spent in marketing and human resources with limited experience of financial and business services. Moore (1999) also pointed out that women have limited

**Table 3: Occupational Status Prior to Self-Employment**

<b>Occupational Status Prior to Self-Employment</b>		<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Valid	Professional/management	76	58.0	58.5	58.5
	Admin/clerical	27	20.6	20.8	79.2
	Skilled/semi-skilled	18	13.7	13.8	93.1
	Non-skilled	5	3.8	3.8	96.9
	Other	3	2.3	2.3	99.2
	Missing value	1	0.8	0.8	100.0
	Total	130	99.2	100.0	
Missing	System	1	0.8		
Total		131	100.0		

$N = 130$  (99.2%).

experience in financial and business services, and they do not have managerial and business start-up experience. Moore (1999) further argued that a significant proportion of female start-ups in the United Kingdom end up in low income, low equity and slow-growing micro-enterprises. These women business owners have limited access to venture capital, fewer employees and expand at a slower rate than male-owned enterprises. It is unsurprising then that US research on female start-ups reported that only 38 per cent of new firms started by women were still in operation after six years.

Table 4 shows that those who indicated their motivation to become self-employed did so for a variety of reasons. However, the majority of these responses reflect a 'glass ceiling' theme. It could be argued, therefore, that the factors contributing to the 'glass ceiling' experienced by women in employment, as discussed in the literature, provide a significant 'push' for this group of women to become self-employed. Similarly, research conducted by the Sia Group (2001), cited by Henry and Kennedy (2004), argued that the 'glass ceiling' social attitudes and 'old boys' network' have been

**Table 4: Motivation for Self-Employment: 'Glass Ceiling'**

<b>Reasons Why Self-Employed</b>	<b>Percentage of Respondents (%)</b>
'Don't want to work for someone else'	10.9
'Flexibility'	6.3
'Challenge'	3.9
'Glass ceiling'	3.1
'Better return on labour'	3.1
'Redundancy'	3.1
'Self-development'	3.1
'To do things my way'	2.3
'Better use of skills'	2.3
Total	38.1

*N* = 29 (38.1%) – Due to the receipt of multiple answers from respondents, figures do not equal the total number.

identified as key issues still encountered by women in terms of progressing their careers or attempting to start their own business. Other motives cited by respondents in the focus group in the study included personal/lifestyle reasons. For example, some respondents cited such things as, ‘the love of it’, ‘to follow a dream’, ‘to do something worthwhile’, ‘kids are grown up’ and ‘retirement project’. Stills and Timms (2000) found that many women start their own businesses with the objective of ‘making a difference’.

Another key motivator highlighted by the survey is the need to achieve a work–life balance (22 per cent). Table 5 presents an analysis of comments received from respondents regarding work–life balance.

Table 5 shows that almost 22 per cent of respondents in the survey cited issues related to ‘work–life balance’ as their key motivator for opting for self-employment. Several international studies report that women see becoming an entrepreneur as a means of accommodating their work–life balance needs (Cromie, 1987; Moore and Buttner, 1997; Brush et al., 2004). Orhan and Scott (2001) showed that one female-specific push factor is the need for a flexible schedule, reflective of the family caring role still expected from women today. Because of their mothering role, women experience truncated or stopped careers more often than men.

**Table 5: Motivation for Self-Employment: Work–Life Balance**

<b>Reasons Why Self-Employed</b>	<b>Percentage of Respondents (%)</b>
‘Independence’	7.8
‘Flexibility’	6.3
‘Child rearing requires flexibility’	3.9
‘Want to work from home’	1.6
‘Freedom’	1.6
‘Work–life balance’	0.8
Total	22.0

*N* = 17 (22%) – Due to the receipt of multiple answers from respondents, figures do not equal the total number.



Cromie (1987: 259) argued that women are more dissatisfied with their careers and see entrepreneurship as a means of accommodating their work and child-rearing roles simultaneously.

The focus group findings suggest that some of the reasons for business start-up are as follows:

I am done with the 'housewife bit', my children are more independent now, I am bored, and I'm not the type to do the golf and coffee morning circuit... I want something for me!

You can't find this type of fulfilment in part-time employment.

This is a serious moneymaking business, not a hobby. I am able to manage to work around the needs of my children. I need and enjoy this flexibility.

If you chose to work in part-time employment, you may as well kiss your career good-bye. Employers do not take part-time employees seriously. They think we are not committed to the job. In my opinion the only way to have a career and some quality of life, as a mother of young children, is to set up in business where you can use your skills but have control over the time issue.

Another comment made reflects international research on the low level of confidence that women display with respect to career and business prospects (Sia Group, 2001; Goodbody, 2002; Henry and Kennedy, 2004; Winn, 2004): 'Sure, who would employ me?' The general consensus emerging from this group of women was that their personal circumstances had rendered them unemployable (in terms of the business sectors they had chosen, their childcare responsibilities, and their lifestyle choices). Self-employment is perceived to offer a solution.

Several studies investigating the motivation of females in becoming entrepreneurs identified job dissatisfaction in employment as a major contributory factor to women becoming entrepreneurs (Mattis, 2000; Arenius and Minniti, 2003). The motivational research utilised a 'push-pull' framework to explain the motivation. (Brush, 1992; Hisrich and Brush, 1996; Moore and Buttner, 1997; Mattis, 2000; GEM, 2003). The OECD (2001: 9) suggested that there is a comparatively large 'push group', consisting of women who are more or less forced into setting up a business as an alternative to being

unemployed and also a smaller but increasing 'pull group' of women who are drawn to become entrepreneurs by a wish to be independent, and use self-employment as a means to advance their specific skills. Hisrich and Brush (1996) found that apart from the 'glass ceiling' barrier, acting as a mechanism to persuade women to leave larger businesses and to start their own business operations, most factors are quite similar for men, with independence and the need for self-achievement always being ranked first.

Research conducted on behalf of the Louth County Enterprise Board – Report for Louth County Enterprise Board Women in Enterprise Programme (Louth County Enterprise Board, 2004) – reported on the positive aspects of self-employment for women and found the majority of respondents listed 'wanted to use my skills and talents' as their primary motivation. This report suggested that personal job satisfaction rather than family balance may be more important than originally assumed (Henry and Kennedy, 2004).

The current survey required respondents to indicate their attitudes to a series of statements, on a 5-point Likert type scale. For example, respondents were invited to indicate whether they 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' or 'disagree strongly', with the following statement: 'It is difficult for women with young children to combine business and family' with Table 6 setting out their response. Table 6 shows that of respondents, 71 per cent agree or strongly agree with the statement 'It is difficult for women with young children to combine business and family life'. This finding reflects the strong feeling held by the respondents on this subject, and further highlights the difficulties and barriers experienced by self-employed women with dependant children in the Dublin area. International research shows that women frequently seek business opportunities that can be combined with family responsibilities (Brush, 1992).

Table 7 shows that almost 70 per cent of respondents who answered this question indicated that they used their own personal savings to finance their business. Only 9 per cent indicated they used a bank. The high level of female respondents using personal savings to finance their business is an indication of a lack of business acumen and an inability to avail fully of the wider sources of funds available. It is interesting to note the comments from one

**Table 6: “It is Difficult for Women with Young Children to Combine Business and Family”**

		<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Valid	Strongly agree	38	29.0	29.2	29.2
	Agree	54	41.2	41.5	70.8
	Neither agree nor disagree	16	12.2	12.3	83.1
	Disagree	13	9.9	10.0	93.1
	Strongly disagree	2	1.5	1.5	94.6
	Missing value	7	5.3	5.4	100.0
	Total	130	99.2	100.0	
Missing	System	1	0.8		
Total		131	100.0		

*N* = 130 (99.2%).

focus group interviewee who sought access to seed capital from a number of financial institutions:

If you want to raise money for your business venture, you need to ‘box clever’. The banks are not interested in supporting women in small business. The ‘pin-money’ mentality among bank officials is still at large. Any of my female self-employed friends who have got money for their business venture from the bank, approached them (the financial institution) for a car loan, a holiday loan or a home-improvement loan instead. Take my advice, don’t mention you are setting up a business – you won’t have a hope.

This viewpoint, once articulated, was endorsed by the majority of the focus group interviewees. Another focus group interviewee expressed another perspective:

The banks are falling over themselves to give me [my business] money... I think the reason for this is that my husband has

**Table 7: Sources of Finance for Current Business**

		<b>Frequency</b>	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Valid	Personal savings	85	64.9	69.7	69.7
	Investor	1	0.8	0.8	70.5
	Partner	2	1.5	1.6	72.1
	Family/friend	12	9.2	9.8	82.0
	Non-refundable grant	2	1.5	1.6	83.6
	Refundable grant	3	2.3	2.5	86.1
	Bank	11	8.4	9.0	95.1
	Other	6	4.6	4.9	100.0
	Total	122	93.1	100.0	
Missing	System	9	6.9		
Total		131	100.0		

*N* = 122 (93.1%).

established a good track record with the business section of the bank and they know that my husband will be instrumental in the running of my company. These views aside, I believe that the banks are not necessarily sexist when it comes to providing seed capital. Rather, they need evidence of thorough research of the business concept and a professional approach to the business plan. Once you can demonstrate a market opportunity and your own business acumen, you should have no difficulty in securing a business loan.

Research conducted by Henry and Kennedy (2004: 6) found that 65 per cent of their respondents reported that a lack of finance was one of the most common difficulties experienced by women in attempting to set up or develop their business. It is interesting to

note that a minority of these respondents indicated that the difficulties that they experienced with accessing finance were directly related to the fact that they were women (Henry and Kennedy, 2004: 17).

### CONCLUSION

This paper sought to explore and critically examine the following questions: firstly, does European and Irish economic policy run the risk of marginalising female self-employed entrepreneurs in its promotion of entrepreneurship and increase the risk of them becoming 'ghettoised' within the service sector? Secondly, to what extent do female self-employed entrepreneurs experience a new form of 'glass ceiling' and other barriers which are similar to women in employment? In exploring these questions this paper referred to an Irish study carried out by Scaife (2004). The following points have emerged from the literature and survey, and assist in answering the questions raised in this paper:

- Women's participation in the labour market has increased significantly over the last fifteen years. However, the glass ceiling continues to be a dominant feature in their work life.
- Ireland's economic vision – moving up the value chain, involving the digital economy, with a growth agenda, risks alienating many female self-employed entrepreneurs due to their perpetuation and location within the service sector.
- Many females moving into self-employment experience low income. This is due to the fact that the majority of female self-employed entrepreneurs operate in the service sector with low growth potential. This ghettoisation of female self-employed entrepreneurs in the low growth, low profit sectors within the service sector perpetuates their economic disadvantage.
- Many females who become self-employed entrepreneurs do not appear to have the required business acumen and skill-set for their new role. For many this move could be compared to moving from the frying pan into the fire. Furthermore, for those women who opted to move from employment in the labour market to self-employment, to escape the glass ceiling effect, may well face a new set of barriers as self-employed businesswomen.

The above exploratory findings suggest that female self-employed entrepreneurs continue to experience a parallel set of barriers to those that they are attempting to overcome when they migrate from the labour market. This paper concludes that there is an urgent need for further research to explore this issue.

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