

Women Entrepreneurship and Social Capital

*This anthology has been prepared
with full co-operation between the editors*

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Editors

Women Entrepreneurship and Social Capital

A Dialogue and Construction

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Preface

The origins of this book relate to the workshop held at Brussels, at the EIASM Institute on 'Female managers, entrepreneurs and the social capital of the firm'. This inspiring and fruitful workshop proposed for the first time the idea of creating a dialogue between women entrepreneurship and social capital theory and research. Many of the articles introduced in this book originate from this dialogue. In the Nordic Academy of Management Conference in Aarhus 2005 this dialogue continued and expanded with new participants from the group of researchers that gathers yearly together on the French government's initiative in Dauphin University, in Paris. The shared understanding of these women's entrepreneurship researchers from different countries and continents was that both the concept of entrepreneurship and social capital are multiple and complex, but interrelated.

Encouraged by this view, we decided to compile this book edition to demarcate this landscape of social capital as interplay between gender, management and entrepreneurship. Thus this book seeks to contribute heuristically to the discussion between social capital and women's entrepreneurship research. Hence it has its special place among other women's entrepreneurship books, the number of which to our delight has recently increased. Accordingly we hope this book will expand this dialogue of women's entrepreneurship by strengthening them in some respects fragmented voice of women's entrepreneurship research.

We would like to address our sincere thanks to our chapter evaluators, Sinikka Vanhala and Marja-Liisa Kakkonen of Finland who evaluated the articles in Part I, Nina Gunnerud Berg of Norway who was responsible for reviewing Part II, and Raja Cherif, of Tunisia for evaluating part III. Their valuable comments and ideas helped us to improve this edition and finalise its structure. We would also like to thank the authors for their dedication and contribution in this process.

This book also started publishing collaboration between two countries; Copenhagen Business School Press in Denmark and the School of Business and Administration at the University of Tampere in Finland expanding also the collaboration with Helsinki School of Economics, Finland. We would also like to thank the entrepreneurship education team members Sari Nyrhinen and Robert Mhekwa, who helped us all with the editing and coordinating process and for the proof-reading services of Virginia Mattila, Robin King and Mika Puukko. Finally as

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always, we need to thank those institutions which broad-mindedly foresee the meaning and value of such projects in cherishing democracy and equality, in this respect we own our thanks to Häme Centre of Expertise and the Academy of Finland, and the Research Council for Culture and Society, for their financial support.

Iiris Aaltio

Paula Kyrö

Elisabeth Sundin

Part I

Specifics of Women's Entrepreneurship Theory

CHAPTER 1

Introduction

Women Entrepreneurs - Creators and Creations of Social Capital

Iiris Aaltio, Paula Kyrö & Elisabeth Sundin

This book discusses social capital as the multiple relationships between gender and entrepreneurship. Human resources are the social capital of an enterprise and also of business life. They are based on trust, and also on expertise and values. This complexity demands knowledge and understanding from different fields concerning individuals, organisations and society.

Gendered Entrepreneurs

Entrepreneurship flourishes from the spheres of society and work-life. Labour-markets all over the world are gender-segregated. The proportion of women at managerial level within an organisation is lower than within the organisation as a whole. Many international studies relating to entrepreneurs and managers show that females continue to be a minority as entrepreneurial and managerial decision-makers. This is true for large enterprises as well as for owner-managerial micro-sized firms. The nature of the managerial jobs held by women and men differs: female managers are often found to hold human resource positions. Whether this is because they are attracted to this area or because this is the area open to them is a question of organisational theory and gender theory concepts (Gherardi, 1995; Alvesson & Billing, 1994; Aaltio & Mills, 2002). Organisations construct and are constructed by gender. By studying organisations as sites in which gender attributes are assumed and reproduced, we can highlight their gendered nature, thus enabling us to gain a sensitive understanding of the issues beyond the statistics of managerial positions. Women entrepreneurs participate in social capital creation using their special expertise and skills.

The segregation between female and male entrepreneurship is reflected in the workforce in general. The gender-label of the fields varies

throughout the world, likewise the gender-segregated labour market. Traditional occupations for women as owner-managers have been in hairdressing, hotel and restaurant businesses and the like. Nowadays female entrepreneurs also practise their professional expertise in other fields such as training and consultancy. However, what remains is gender-segregation and the gender-labels as such – not what is actually on the label. Females are scarce in the venture field and in technology management. Therefore, when female entrepreneurs promote change, they tend to base their innovations on social ideas. This may lead to stereotyping claiming that ‘women are less inclined to risk-taking’, ‘women are carers’, and ‘women are not innovative as entrepreneurs’. Such stereotypes, however, fail to take into consideration that many of these phenomena and concepts are constructed with ‘men as the norm’ (compare, for example, Ahl in this volume). They also underestimate the importance of innovations in sectors dominated by women and overlook the many women who are indeed active in technology and industry. We should study these circumstances if we are to understand entrepreneurship or the reasons why females avoid it. Entrepreneurship is based on processes between people and the context; it is not an individual property or a collection of people’s traits that leads them to entrepreneurship. This leads to an understanding of entrepreneurship and women entrepreneurs as creators and creations of social capital based on relations between social actors.

Entrepreneurship nowadays is almost exclusively discussed with relation to small and medium-sized firms (Fayolle, Kyrö & Ulijn, 2005). Established definitions, like Schumpeter’s (1934, 1989), do not, however, restrict the concept and the phenomenon to SMEs. Entrepreneurship occurs and has relevance in all kinds of contexts. This view is apparent in some of the articles in this volume whilst others hold the mainstream view.

Gender perspectives and gender dimensions are, nowadays, part of the flow of knowledge in various disciplines such as sociology, psychology, and anthropology. However, the position of gender-dimensions varies between disciplines and research fields and as such is illustrated in this book. We are convinced that to know the meaning of gender is to understand its cultural dimensions in the context explored. While the debate focusing on women as business agents are broad and burgeoning, the connection between men and entrepreneurship also contributes to our cultural knowledge in the field.

In some disciplines, studies on women entrepreneurs constitute a subfield, whilst in others they are integrated and in some disciplines totally ignored. Essentialism continues to figure in research on entrepreneurship as it does in research on management. Often “entrepreneurs” and “managers” are studied as the essential individual, without any gender attributes.

Finally, although this is a book on WOMEN, male entrepreneurs are also gendered individuals, and one should not generalise about women. Nina Gunnerud Berg, when editing the book ‘*Entreprenørskap – Kjønn, livsløp og sted*’ (2002), with Lene Foss, found that “young male entrepreneurs when interviewed in the late 1990’s argued more or less like the female entrepreneurs I interviewed in the late 1980’s” (Berg, 1994, 1997). The quote illustrates that gender is not only an essential but also a fluid category.

Social Capital

In all of today’s economies, social capital is highly valued and is also discussed as a form of corporate capital. When human resources are scarce, the invisible elements of human capital are often presented as a substitute. Companies compete for capable managerial candidates. It is common rhetoric that women are a resource, they are an invisible potential for the organisation, and that female managers could even increase the profits of the firm. Apart from this rhetoric, there is widespread scepticism from completely different points of view. Are women marched into the field only if there are no other viable alternatives? Are firms open to the cultural diversities that may emerge as a result? What can business life learn from the new traits introduced by female managers? These questions need to be addressed through perceptive analyses and interpretations around the issues of female gender, management and the social capital of the firm.

As stated by Kovalainen (2005, 156-157) the elasticity of the term ‘social capital’ has led to a situation in which it is used very differently, depending on the context and research purpose in question. Usually political science and sociology refer to a set of norms, networks, institutions and organisations through which access is gained to some actions or power. As Coleman argues, it is embodied in relations among people (2000, 36). In many ways trust is interlinked with social capital. Social capital creates prosperity in societies (Fukuyama, 1999, 1995). Keeping things together and saving society from disintegration are popular themes of social capital and trust. In an earlier theorisation

Schein (1997) defined organisational culture as an outcome of socio-psychological processes between persons and groups that come to integrate organisations, create collective social memory (Koistinen, 2003) and shape the social structures in any organisation. These processes are not only intellectual but also emotional. The accumulation of people's knowledge, trust and emotional work are much needed in the formulation of social capital. Social capital, developing through economic infrastructure, can also be underlined (Bourdieu, 2005). Even if social capital is a concept that creates images of boundaries, it is flexible and metaphorical leading to many alterations.

The use of gendered lenses in the study of entrepreneurship adds to our perspectives on the social-capital aspects of society. How is change possible? How can cultural diversity in economic life be promoted? Entrepreneurs appear to have a special position in forming, developing and reorganising social capital in the business world. The three concepts: gender, entrepreneurship and social capital are related in a complex way. A choice must be made between the number of relevant questions and aspects if comparison and synergy are to be possible. Among these we find most interesting:

- Gendered knowledge of the social capital of entrepreneurs and owner-managers
- Cross-cultural understanding of female entrepreneurship
- Institutional issues behind women's entrepreneurship

Structure of the Book

Knowing that trust and networks are now at the heart of social capital, how does the question of female entrepreneurs come in? Do we constitute social capital differently and if so, how? In the following chapters prominent researchers from various parts of the world and from different academic traditions present empirical findings as well as theoretical reflections on the main themes of the book. As a consequence the main concepts, social capital, entrepreneurship and gender are given different meanings. We consider this a strength, not a problem, as the multi-meaning reflects an important discussion which can be explicated heuristically through related concepts. Since differences between the authors are also seen in the spelling and use of the English language, we have chosen to let the authors themselves decide on their linguistic styles.