



Entrepreneurial Capital and Firm Performance: Gendered Experiences in North and South Europe

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Abstract. This paper explores the relationship between gender, entrepreneurial capital and firm performance. Two comparable surveys (Scotland, Spain), each comprising thirty matched pairs of business owners (30 male, 30 female) drawn from the professional business services sector provide four distinctive groups of entrepreneurs (female-Spanish, male-Spanish, female-Scottish, male-Scottish). The study views entrepreneurship as being socially embedded, hence owners' constructions of their social realities in the context of business-ownership were included in the analysis. The results show significant differences in the amounts of human, social and financial capital used by the four groups of entrepreneurs and in the subsequent performance of their ventures. Variations by gender and by region are discussed in relation to theories of entrepreneurial capital.

Keywords: gender, entrepreneurial capital, firm performance, context.

1. Introduction

Entrepreneurial activity is predicated on the availability of and access to a range of resources. Building on Bourdieu (1986), concepts of entrepreneurial capital suggest the entrepreneurial process is affected by both the financial and the non-financial resources owned by entrepreneurs or available to them through their networks and relationships (Morris, 1998; Erikson, 2002; Firkin, 2003). While entrepreneurship scholars define non-financial capitals in various ways, most studies highlight the importance of human and social capital (Boden and Nucci, 2000; Carter et al, 2003; Davidsson and Honig, 2003; Cope et al, 2007). The volume and variety of available financial and non-financial capital is known to have a substantial impact on the entrepreneur's experience of business ownership and the subsequent performance of their firm (Davidsson and Honig, 2003; Firkin, 2003).

A substantial body of research evidence now exists demonstrating the influence of gender on the accumulation of financial resources and the subsequent effects of undercapitalization on the performance of female-owned firms

(Coleman, 2000; Carter et al, 2003; Carter et al, 2006; Watson 2002; Johnsen and McMahon, 2005). Fewer studies have focused on gendered access to non-financial capitals, and the ways in which these types of capital influence firm performance. Typically, studies focusing on the influence of entrepreneurial capital on firm performance are located within one study area or region, constraining the ability to draw inferences with regard to the regional context in which male and female entrepreneurs operate and access resources. In this regard, De Bruin et al, (2007) call for further cross-country studies examining the influence of gender on the entrepreneurial experience.

This paper has three aims. First, it seeks to explore the relationship between entrepreneurial capital and firm performance, taking into account both financial and non-financial capital. Second, it explores the potentially gendered experiences of entrepreneurs in the resource acquisition process. As most studies of entrepreneurship and gender are derived from a single study area, typically North America or Northern Europe, the third aim is to consider whether and in what ways cultural context is influential in this process. The study explores the influence of country context by comparing data drawn from matched-pairs of male and female entrepreneurs in Northern Europe (Scotland) and Southern Europe (Spain). Complementary theoretical frameworks provide insights into the complex interplay between entrepreneurial capital, firm performance, gender and country context.

2. Gender, Entrepreneurial Capital and Firm Performance

While the ‘natural tendency is to assume that the principle resource required for any entrepreneurial event is money...the critical resources are typically non-financial’ (Morris, 1998: 32). The range of resources involved in creating, developing and owning entrepreneurial ventures has been conceptualised as ‘entrepreneurial capital’ (Firkin, 2003). Influenced by resource-based theory, Firkin (2003) argues that in addition to financial capital, the entrepreneurial process is affected by the other types of capital either owned by entrepreneurs or available to them through relationships and network links. Non-financial capital is typically assumed to include the human, social and symbolic capital of business owners, which may influence both their experiences of business ownership and the performance of their firms (Davidsson and Honig, 2003; Boden and Nucci, 2000; Casson and Giusta, 2007; Haber and Reichel, 2007).

Concepts of capital are not new to the social sciences (Giddens, 2001). Bourdieu (1986), for example, identified four main types of capital: economic, human (also referred to as cultural), social and symbolic potentially available to individuals. The social world is comprised of both *objective* structures, for example resources and capital, and *subjective* structures created by the subconscious systems of classification individuals use as templates for engaging

in and interpreting activities. Social phenomena emerge through the interplay of human interactions and objective and subjective structures, suggesting that social structures are malleable and socially constructed by the outcomes of interactions between individual agents (Bourdieu, 1977; Bourdieu and Wacquant, 1992). Bourdieu's (1977) perspective on structuralism provides insight into the relationship between entrepreneurial capital and gender. Individual positions within social structures are determined by the amounts and forms of capital they possess, and also by the value placed on this capital by others. Therefore, it follows that certain types of capital may be more sought after and valuable.

While at an early stage of empirical investigation, entrepreneurship scholars have been quick to adopt theories of capital and several recent studies have sought to explore the impact of various forms of capital on the entrepreneurial process (Boden and Nucci, 2000; Brush et al., 2002; Carter et al., 2003; Davidsson and Honig, 2003; Adler and Kwon, 2002; Hospers and van Lochem, 2002; Cope et al., 2007). In contrast to the extensive research interest by entrepreneurship scholars in economic, human and social capital, scant attention has been paid to the concept of symbolic capital described by Bourdieu (1986) as the form capitals take once perceived and recognised as legitimate by others. Given the convertible nature of each type of capital, and the particularly close interplay between social and symbolic capital (Bourdieu, 1986), this is a surprising omission from the entrepreneurship literature, perhaps best explained by the difficulties involved in operationalizing the concept.

Structures created by human interactions reflect tacitly taken for granted assumptions which underpin society's 'natural' attitude toward gender differences. Bourdieu (1977) argues that these assumptions create attitudes which connote women with negative qualities (for example, weakness) and men with positive qualities (for example, strength). Consequently, emerging social structures are hierarchical and can benefit men, for example, by creating opportunities for them to acquire greater economic capital, while disadvantaging women. Bourdieu's (1977) perspectives on structuralism may help to explain the relationship between entrepreneurial capital and gender. First, they suggest that male and female entrepreneurs may possess differing forms and amounts of capital. Second, even when male and female entrepreneurs possess similar levels and types of capital, the value this commands from external agents (e.g. stakeholders) may differ. Ultimately, differences in the perceived value of resources held by men and women impact on male and female experiences of business ownership, creating more opportunities for those entrepreneurs in possession of a mix of capitals which command greater value.

Recent studies suggest that gender differences are observable in ownership and access to certain capitals (cf. Firkin, 2003; Shaw et al, 2008). For example, with regard to human and social capital, studies indicate that male and female business owners possess similar levels of human capital, but that variances, particularly in strength of ties, bridging relationships and the presence of kinship

ties, may have a negative impact on women's entry into business ownership (Davidsson and Honig, 2003; Renzulli et al, 2000). Other studies have found gender differences in human capital, particularly in graduate education and experience, which may influence entrepreneurs' access to finance (Boden and Nucci, 2000; Carter et al., 2003). Studies of business ownership in the professional service industries have found women to have fewer years in independent practice (Marlow and Carter 2004; Collins-Dodd et al. 2004) and suggest that this lack of experiential capital may be compounded by a tendency on the part of women to create their firms at a younger age. Therefore, the profile of older male business-owners enables men to accrue more experience and credibility prior to start-up (Cowling and Taylor 2001; Shaw et al, 2008). These results lead to the study's first two research propositions.

Proposition 1: Male and female entrepreneurs are likely to start businesses with different forms and amounts of human capital (education, age and industry experience).

Proposition 2: Male and female entrepreneurs are likely to start businesses with different forms and amounts of social capital (network morphology and interactions).

There is more certainty with regard to the gender differences in economic capital. Studies have consistently found that women start in business with substantially smaller amounts of finance, typically a third of the financial capital used by their male counterparts (Carter and Rosa, 1998; Coleman, 2000). This gendered funding pattern has been explained as a function of sexual stereotyping and discrimination (Hisrich and Brush, 1984; Buttner and Rosen 1988); women's lack of personal assets and credit track record (Riding and Swift 1990), and women's inability to penetrate informal financial networks (Aldrich et al, 1989). As entrepreneurship is a social process located within wider socio-economic and cultural contexts, studies that recognize that female business ownership is inextricably linked to their wider socio-economic position may provide insights into the relationship between entrepreneurial capital, gender and entrepreneurship (Marlow and Carter, 2004; Eagly and Karau, 2002; Arenius and Kovalainen, 2006). This leads to the third research proposition.

Proposition 3: Female entrepreneurs are more likely to start businesses with lesser amounts of economic capital (finance).

The interplay between human, social and economic capital has particular relevance for the study of small business performance. In addition, the concept of symbolic capital, the form capital takes once recognized by others, draws attention to two specific aspects of Bourdieu's perspective on capital: its

overlapping nature and its convertibility. While an individual may possess various types of capital, it is difficult to separate the different types. The overlapping nature of different types of capital is given a further layer of complexity by what Firkin (2003:5) refers to as the convertibility of capital; that is 'how each form of capital can be converted from and into other forms of capital'. For example, if an individual possesses high levels of human capital in terms of their education and experience, it might be expected that this would convert into the possession of high levels of social capital in terms of their networks and contacts. While Bourdieu (1986) argued that ultimately each form of non-financial capital converts to economic capital, he drew particular attention to the convertibility of social into symbolic capital. Bourdieu's (1986) concept of symbolic capital implies that even when entrepreneurs possess identical amounts and types of economic, human and social capital, differing values may be placed on the capital they possess (symbolic capital).

Research suggests a complex dynamic between gender and business performance. While some studies indicate that female owned businesses perform less well than their male-owned counterparts, others challenge the 'female under-performance hypothesis' (Watson, 2002, Ahl, 2002). A review of the evidence regarding gender differences in firm performance highlights the importance of controlling for structural factors (firm age, industry sector) in study design. Typically, women-owned firms are younger than those owned by men, and located in sectors with high rates of female employment (services, retailing). Studies that have controlled for the effect of structural factors offer mixed results with respect to performance. Some find no differences with respect to revenues (Brush and Hisrich, 2000; Carter and Williams, 2003), survival (Loscocco and Leicht, 1993; Dahlqvist et al., 2000; Watson, 2003), profitability and growth (Brush and Hisrich, 2000; Chaganti and Parasuraman, 1996; Watson, 2002; Johnsen and McMahan, 2005). Others highlight performance differences in revenues (Loscocco and Leicht, 1993; Rosa et al, 1994; Chaganti and Parasuraman, 1996; Watson, 2001), profitability (Dahlqvist et al, 2000), growth (Srinivasan et al, 1994; Dahlqvist et al., 2000) and survival (Srinivasan et al., 1994; Boden and Nucci, 2000, Robb, 2002; Arribas and Vila, 2007).

There is increasing consensus that women-owned and male-owned firms perform equally well given the same starting resources (Watson, 2002; Johnsen and McMahan, 2005); however, women face cultural and social barriers that limits their access to critical resources and, even if starting resources are acquired stakeholders may place a lower value on these resources. Further, the convertibility of resources multiplies the effect of a small difference on the resources available for the business owner. This leads to the study's fourth research proposition.

Proposition 4: *Given the different starting resources (entrepreneurial capital), women-owned firms will demonstrate worse performance than male-owned firms.*

2.1. Country Context

Place is important in explaining gender relations and entrepreneurial behaviour (Berg, 1998). Despite similarities in economic and family spheres in western countries, it is probable that women's entrepreneurial activity takes different forms in different cultures (McManus 2001). Shane et al (1991) found entrepreneurial choice to be a function of an interaction of gender and nationality, and recommended that future studies take into account the cultural beliefs about women prevalent in the society under investigation. Social structures, such as workplace and family, influence the perceived value of female entrepreneurship, the entrepreneurial opportunities available for women, and, potentially, the performance of their firms. These structures are, in turn, based on cultural norms and expectations, which differ by country (Galloway et al, 2002).

A comparison of key labour market indicators and sex-role divisions of the study areas (Scotland, Spain) highlights the cultural differences (and similarities) between northern and southern Europe (Table 1). Equal pay and opportunities legislation was first introduced in Spain and the UK in the 1970s, and female participation in education and employment has increased substantially in the intervening period. Female employment is lower in Spain than in the UK (58% compared with 70%), although the gender pay gap is similar (taking into account the higher proportion of female part-time working in the UK). In Spain, women represent a higher proportion of the self-employed than women in the UK (31.5% compared with 27.2%) and female self-employment as a proportion of total employment is larger in Spain (13.6% compared with 7.6%). These data suggest that self-employment is a much more likely option for Spanish women than for British women. One explanation may be that self-employment offers an accessible route into labour market participation for Spanish women.

Consistent with the presumption that Southern European cultures have traditionally placed more value on family and emotional life, women in Spain still take more responsibility for domestic labour and childcare (devoting 190 minutes versus 90 minutes per day), and the traditional logic that fosters a sexual division of work remains deeply embedded (Instituto de la Mujer 2005). However, Spain is undergoing rapid changes; the level of education for women has improved significantly over the past 30 years and the formal institutional framework has also changed with the approval of new sex equality legislation in March 2007. These changes are reflected in the last report of the World Economic Forum (2007), which situates Spain among the ten countries with greater gender equality, followed by the United Kingdom, in an index of economic opportunity, political power, education and access to health services. Therefore, the effect of

culture within this sample is uncertain, but what seems to pervade across geographic regions is that women are still considered to be the main responsible person with regards to the private-family realm, and they are still horizontally and vertically segregated within the public-labour realm. In addition, although self-employment and business ownership among women has increased, gender gaps are still evident.

Table 1: Spain and Scotland: A Comparison of Key Labour Market Indicators

	SPAIN	SCOTLAND / UK
Female employment	58.72% of women of working age (16-59)	70% of women of working age (16-59)
Female unemployment rate	11.6% vs. 6.6% male	6.5% vs. 9% male
Wage differential with men	20.56% for full-time employees and 23.44% for part-time employees	17.1% for full-time employees and 38.4% for part-time employees
Part-time work	24.2% (vs. 4.5% of men)	42% (vs. 9% of men)
Horizontal segregation	66% concentrated in five of the thirty five occupational sectors: commerce, agriculture, personal and cleaning services, education and health. 26.5% of the contracts in the medium-high technology sector.	79% and 73% in sectors such as health and social work and education versus 10% in construction
Vertical segregation	32.4% of managerial posts in firms and public administration	17% of director and chief executives of major organizations, 29% of marketing and sales managers, and 32% of financial managers
Self-employment	31.5%	27.2%
Self-employed women as a proportion of women in employment	13.6%	7.6%
University graduates	50.7%	55%

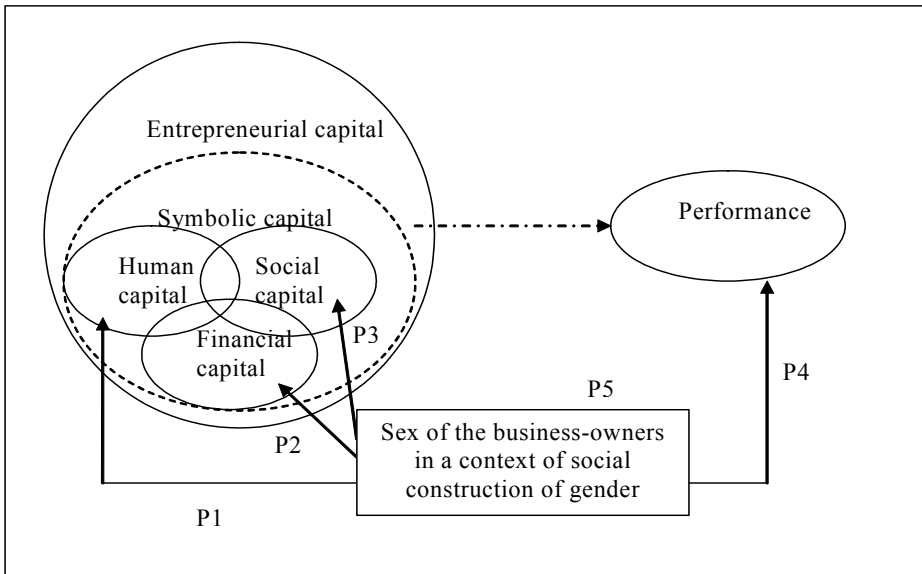
Sources: Encuesta de Población Activa 2007 third trimester; Ministerio de Educación y Ciencia, 2007; Equal Opportunities Commission, 2006; Labour Force Survey 2009

Proposition 5: The social construction of gender will persist regardless of the geographical location of the individuals.

The proposed research model is shown in Figure 1. The model graphically presents the five research propositions. It is proposed that male and female

entrepreneurs start businesses with different volumes and forms of human, social and financial capital. It is also proposed that, given these different starting resources, the economic performance of men owned businesses will be greater on average than the one of women owned businesses. It is expected that these propositions hold irrespective of differences in the socio-economic and cultural contexts of north and south Europe.

Figure 1: Proposed Research Model



3. Research Design and Methods

Drawing on capital theory (Bourdieu, 1986) and using the concept of entrepreneurial capital (Firkin, 2003), this paper seeks to explore the interplay between gender, entrepreneurial capital and firm performance within a cross-country context. Two samples were constructed for the study, one in Scotland and one in Spain. In both countries the sample consists of 30 pairs of entrepreneurs (30 male and 30 female) owning small professional business service firms, matched by industry sector, age of firm and location.

The professional business services sector (UK SIC Code K; Spain SIC Code K74-7412 ‘Other services to firms’ / ‘Accountancy, audit and tax consultancy’) was identified as an appropriate industry for this study. As a growth industry, it was anticipated that this sector offered access to a sufficient number of entrepreneurs running professional business service firms in each country. Moreover, the concentration of women-owned businesses in professional service

sector industries (Marlow, 1997) increased the likelihood of accessing equal numbers of men and women business owners.

In the UK, participants were identified using the Yellow Pages for Central Scotland. This source provides the most readily available lists of businesses and the highest coverage, while minimising the main problems (omissions, clusters, foreign elements and duplicate listings) associated with other business sampling frames. Fifty female-owned businesses were initially identified, and provisionally matched by sector and location with fifty male owned businesses. Telephone interviews collected more detailed data regarding ownership, activities and firm age, enabling a more precise matching of thirty pairs of firms. Structured interviews were conducted with the sixty business owners in Scotland using a 20 page research instrument using variables and measures developed by the Diana international research consortia which focuses on gender, entrepreneurship and finance (Brush et al, 2004). In Spain, participants were identified from two datasets: SABI, which comprises data from registered firms and Camerdata, a dataset of individual entrepreneurs. A population of 1779 firms was obtained, from which 265 firms were eliminated because of incorrect addresses, leaving a sampling frame of 1,433 firms. A postal survey was administered, similarly derived from the Diana International consortia, from which 162 completed questionnaires were returned, yielding a response rate of 11.3%. A response bias test revealed no significant differences between respondents and non-respondents with respect to number of employees, gross revenues, firm age and the age and education of business owners.

Cross-country comparisons were managed by extracting from the Spanish sample the 30 male and 30 female respondents that best matched the thirty Scottish pairs. While matching attempts focused on identifying the best matches of pairs by sector in Scotland and Spain, the results were not perfectly comparable across all the criteria. The optimum matches of samples in Scotland and Spain by industry sector resulted in differences in average firm age, with firms in the Spanish sample being on average five years of age and firms in the Scottish sample being on average one year of age. Analysis concentrated on identifying similarities and differences across four groups of entrepreneurs: female Spanish entrepreneurs, male Spanish entrepreneurs, female Scottish entrepreneurs and male Scottish entrepreneurs.

Data collected from both the Spanish and the Scottish samples focused on human, social, financial capital, and firm performance (see Appendix 1). Despite data being collected in different ways (face to face in Scotland, postal survey in Spain), both surveys used a structured questionnaire which, in both countries, comprised many of the same questions. Bourdieu's (1986) definition of economic capital was used to guide the collection of data relating to the amounts and sources of start-up funding and firm turn-over. In common with previous entrepreneurship research, Becker's (1964) definition of human capital was used to collect information regarding each entrepreneur's age, education and prior employment, industry and entrepreneurial experience. Data on number of

employees and turnover as an indicator of firm performance was also collected (Rosa et al., 1996; Fasci and Valdez, 1998; Shim and Eastlick, 1998). Social capital has been variously defined, but a perspective shared by most definitions identifies an individual's social capital as dependent upon the size, contents and relational dimensions of their personal contact networks (Davidsson and Honig, 2003; Firkin, 2003; Lechner et al., 2006; Anderson et al., 2007; Cope et al., 2007). Collection of this data was informed by social network theory (Mitchell, 1969) and, using established measures of network morphology (size, density, and heterogeneity of actors within their network) and relational properties (content, intensity), entrepreneurs were asked about their personal contact networks. In particular, the work of Aldrich et al. (1987; 1989), Cromie and Birley (1992) and Renzulli et al. (2000) were used to inform the questions.

Data were analysed using a variety of statistical techniques. ANOVA tests were used to compare differences among subjects' means of four pairs of respondents (the dependent variable) under different treatment conditions (the independent variables). A post hoc test, Scheffé, was used to identify which pair of comparisons makes the greatest contribution to the significant results. The Scheffé test is based on the computation of a critical F, adjusting the F obtained in a conventional ANOVA for the degrees of freedom in the study. As explained by Katz and Williams (1998) such approaches are used to adjust for an inflated Type I error when testing differences between treatments in an ANOVA, when the main effect is significant. The use of the Scheffé test is justified as the most conservative and flexible of all the post-hoc methods. Interpretation of the analysis was guided by our theoretical framework and also by the findings of prior entrepreneurial capital research.

4. Results

4.1. Entrepreneurial Capital and Performance: Comparisons of the Four Groups

To investigate potential differences in entrepreneurial capital (human, social and financial capital) and performance among the four groups by gender and country of origin, ANOVA tests and post hoc Scheffé tests were performed (Table 2).

Structural Variables

Scottish male owners were found to employ more staff than their matched female counterparts (23.3% of Scottish male firms and 0% of Scottish female firms employed four or more staff). Within the Spanish sample, 16.6% of both male and female-owned firms employed four or more people. When the number of partners are also included in firm size, no differences are found between firms owned by

Scottish men and firms owned by both Spanish men and women; however, the size of firms owned by Scottish women remains significantly smaller (ANOVA test= 1.833, Sig.=.043).

Table 2: Scheffé Comparisons of Entrepreneurial Capital and Performance

Variable	ANOVA results		Significant Scheffé results and directions					
	F	p	Msp-Msc	Msp-Wsc	Msp-Wsp	Msc-Wsp	Msc-Wsc	Wsp-Wsc
Structural variable								
Total number of employees	2.505	.063					.074	(+)
Human capital								
Business owner's age	12.764	.000	.001			.000	.000	(-) (+) (+)
Industry experience	4.029	.009	.017					(+)
Degree business related	2.943	.037	.060					(+)
Social capital								
Network size	19.203	.000	.000	.000		.000		(-) (-) (+) (-)
Percentage of friends within the network	3.724	.014	.022		.088			(+) (+)
Percentage of acquaintances within the network	6.775	.000	.001			.010		(-) (+)
Average age of contacts	2.565	.059				.073		(+)
Talk about personal matters	6.551	.000		.014				(-) (-)
Other partners	4.912	.003		.008				(+) (+)
Financial capital								
Financial capital at start-up	6.506	.000	.004			.003	.016	(-) (+) (+)
Grants as a percentage of financial capital at this moment	4.701	.004		.023			.053	(-) (-) (-)
Performance								
Turnover	4.797	.003		.006			.061	(+) (+)

Msp: Men Spain, Wsp: Women Spain, Msc: Men Scotland, Wsc: Women Scotland
 For the Scheffé test results: (+) first group mean > second group mean
 (-) first group mean < second group mean

Note: The variables reported within this table are those in which a significant difference is observed.

Human Capital

From the data it is apparent that Scottish male business owners are significantly older than the other groups; on average 50.9 years old, while the average age is 41.8 years for Spanish men, 41.1 years for Spanish women and 38.3 years for Scottish women. The two male groups also differ in that Spanish males had more industry experience (65.4% vs. 23.3%) before starting their firm, and were also more likely to possess a business degree (80% vs. 40.7%). While no significant differences were found across the four groups with respect to level of education attained at an aggregate level, the Scottish sample possessed higher qualifications with 46.7% of Scottish men and women, 33.3% of Spanish men and 23.3% of Spanish women possessing a post-graduate qualification and only 6.7% of Scottish women and 13.3% of Scottish men possessing only up to secondary school qualifications (compared to 20% of Spanish men and 23.3% of Spanish women). Considered collectively these results suggest that while on balance a larger portion of the Scottish sample possesses qualifications of a higher level, a greater proportion of the Spanish male sample possesses a business-related degree. Within the Scottish sample, proposition 1 could be partially accepted, but differences are not consistent across country context or firm age, therefore it is not supported.

Social Capital

Scottish men and women have a larger network size with 86.7% of Scottish women and 76.7% of Scottish men reporting a personal contact network (PCN) of 5 people. This compares with 39.1% of the Spanish male sample and 21.7% of the Spanish female sample. These results might, in part, be explained by the younger age profile of the Scottish firms and additionally, in the case of Scottish women, by the fewer number of business partners (only 16% of the Scottish female sample had partners). These characteristics may have encouraged the Scottish sample of entrepreneurs to invest more in creating and maintaining larger PCNs to generate information, ideas and skills.

With respect to network composition, the PCNs of Scottish men comprise significantly more 'acquaintances' than both Spanish male and female business-owners: while 41.4% of Scottish men described 50% or more of their contacts as 'acquaintances', only 16.7% of Spanish women and 5% of Spanish men did so. In contrast, Spanish male business-owners were significantly more likely to describe contacts within their PCNs as 'friends' than Spanish women and Scottish men. These results may be due to the earlier stage of development of Scottish firms' networks. However, there is no significant difference in this regard with Scottish women, which might be related with the fact that they are significantly more likely to discuss personal matters with those within their PCNs. It was found

that while 26.6% of Scottish women discussed personal matters with four or more of their personal contacts, only 13.6% of Spanish men and 4.2% of Spanish women were likely use their PCN for this purpose.

Scottish men are ideally embedded in large networks of loose ties; however, Scottish women, although reporting a large network, have fewer business partners and tend to talk more about personal matters (which might lead them to be perceived as less business focused) than the more established Spanish firms. Thus, it seems that when starting their firms, male business-owners have a more strategic approach to networking than women and proposition 2 can be partially accepted within the Scottish sample. However, since there is no consistent gender difference across country context or firm age, it is not supported.

Financial Capital

Scottish male business-owners invest significantly higher amounts of financial capital when establishing their firms than the other three groups. This is perhaps to be expected given their significantly older age profile: before establishing their firms, the Scottish men in our sample were able to acquire more finance which they chose to invest in their firms. Women-led firms in Scotland also had a higher percentage of grants within their financial capital, which might be due to the widespread small-scale financial aid programmes that exist to support young, start-up entrepreneurs in the UK. Proposition 3 can be supported within the Scottish sample; however, since there is no consistent gender difference across country context or firm age, there is no overall support for this proposition.

Performance

With respect to sales turnover (see also Table 3), Scottish women report significantly lower levels of sales turnover than Spanish male business-owners, which have an older and more established profile. Scottish women also report that their levels of turnover were marginally lower than those of Scottish male business-owners; which might be explained by the observed differences in the levels of entrepreneurial capital invested by the Scottish male sample. Therefore, for the Scottish sample, in which the differences proposed for entrepreneurial capital had been supported, proposition 4 is also supported. However, since the different performance between women-owned and men-owned firms is not consistent across country context or firm age, we can not support the last proposition.

Table 3: Frequencies for Sales Turnover

	Scottish women		Scottish men		Spanish men		Spanish women	
	%	%	%	%	%	%	%	%
Less than 35 740 €	53.3	53.3	23.3	23.3	13.3	13.3	34.5	34.5
35 740 € -71 485 €	16.7	70.0	33.3	56.7	23.3	36.7	24.1	58.6
71 485 € -142 970 €	30.0	100.0	16.7	73.3	36.7	73.3	24.1	82.8
142 970 € - 714 840 €			20.0	93.3	26.7	100.0	17.2	100.0
More than 714 840 €			6.7	100.0				
Mean	1.7667		2.5333		2.7667		2.2414	

4.2. Personal Context of Business-Owners as an Explanation

A qualitative research approach was employed to access owners’ constructions of their social realities in the context of business-ownership. Specifically, this entailed analyses of their business and personal goals and their roles within their families, as these factors often guide an individual’s beliefs about how they should act. In line with recent discussions, we assume that all entrepreneurship is socially embedded (Davidsson, 2003, Steyaert & Katz, 2004), and explicitly explore this embeddedness by using open-ended questions to record these issues and inductively analysing data allowing critical themes to emerge (Patton, 1990).

In relation to their goals, Scottish business owners were more likely to identify “*rapid business growth*” as the most important goal for their ventures, a finding which may be explained by the comparatively younger age of their firms. The emphasis on growth reported by Scottish women, in contrast with Spanish women, is in line with previous research reporting that younger women with emerging business are more eager to grow their business than women in established businesses, the latter having a greater sense of having assembled an employee complement that is sufficient and manageable (Robichaud et al., 2007). Scottish firms were also more focused on “*maximizing the profitability of the firm*”, which again might be explained by their comparatively younger profile and, in the case of women-owned firms, their lower levels of turnover.

With respect to personal goals, it seems that Scottish women look for “*personal achievement*” and “*the possibility of being creative and implementing their ideas*” more than the Spanish sample. Although these goals are also important for Spanish business owners, they may be of secondary importance as their firms were already more established. Instead, Spanish women are more focused on the goals of “*increasing my personal wealth*” and “*financial independence*”. The suggestion that the importance of some starting goals diminishes as the firm matures supports results obtained by Cassar (2007), who

found that the reported importance of self-realization and financial success for entering venturing activity, decreased once the venture was operational.

Female and male respondents attached different meanings to family responsibilities. This is important because meanings influence perceptions, expectations, attitudes and behaviours. Both Spanish and Scottish women reported the *prioritization of personal over business goals*, both groups of women assumed responsibilities for family care, and less frequently than men reported that their *partners were the main responsible person for childcare*. However, only Scottish women, when compared to men of both countries, stated that they were the *primary responsible person for childcare*. In contrast, in the majority of cases, Spanish women were not the main person responsible of childcare; instead *care services have been arranged with other members of their family or in the market* (whereas Spanish men were able to rely on their partners). These findings echo those of Rosa and Dawson (2006) who found that women entrepreneurs face additional problems in areas such as the conflict between work and home life and networks.

5. Conclusions

Following de Bruin, Brush and Welter (2007), this study sought to explore the impact of regional context on women's entrepreneurship by exploring the impact of gender on business ownership and firm performance in both Spain and Scotland. Specifically, the research examined the relationship between gender and entrepreneurial capital and investigated the implications of this dynamic for firm performance. The results indicate variations in entrepreneurial capital and firm performance both by gender and by region.

The results show age of business owner to be a significant differentiating human capital variable which distinguishes male Scottish entrepreneurs by their significantly older age profile. Despite this, Spanish male entrepreneurs reported greater industry experience and possessed more business-related qualifications than male Scottish entrepreneurs. Indicators of social capital found both country context and gender to be important: both Scottish male and female business owners reported larger personal contact networks, and more Scottish male owners than Spanish business-owners described their contacts as weak ties. Scottish women are also distinguished as a group by discussing personal matters across their networks more than any other group of owners. With respect to finance, Scottish men are distinguished by the greater initial capitalisation of their business at start-up relative to each of the other groups of entrepreneurs in this study. This indicates that age of business owner is positively related to higher initial investments at company start-up. Considered collectively, these results indicate mixed support for propositions 1, 2 and 3 which suggested that gender will have an impact on the amount and type of human, social and financial capital

possessed by entrepreneurs at start-up, since the propositions are only supported within the Scottish sample. These results reveal that both gender and country context (related in this study with firm age) impacted on the amount and type of entrepreneurial capital possessed by the matched pairs of male and female entrepreneurs involved in this study.

The study also focused on the interaction between gender, entrepreneurial capital, firm performance and country context. The results indicate that sex of the business-owner is related to firm performance both in Scotland and Spain (Table 3), but the performance differential with respect to men-owned firms is only significant in the case of Scottish women-owned firms. Therefore, only within the Scottish sample is the fourth proposition supported.

Although we cannot support the model as it has been presented, considered alongside the human, social and financial capital of entrepreneurs, the results indicate a significant interplay between entrepreneurial capital, gender and country context with implications for firm performance. Only the results for Scottish women are supportive of the propositions which suggested differences in the starting resources (entrepreneurial capital) for women-owned and male-owned firms and given this they will perform differently. Specifically, the findings suggest that in the case of Scottish women owners the combination of certain characteristics, such as their use of network contacts for personal matters, their tendency of not creating their firms in partnership with others, the smaller size of their firms in number of employees, and the lower amounts invested in their firms at start-up, has a negative impact on the performance of their firms.

A final proposition was developed from the data obtained from the social structures of the countries (labour market and sex-role division), stating that the social construction of gender pervades across geographical locations. The findings reveal a degree of universality, at least within Europe, which suggests that gendered roles transcend country context and have implications for women entering business ownership (Fasci and Valdez, 1998; Hundley, 2001; Backes-Gellner et al., 2003; Fielden et al., 2003). However, the results suggest that while gender affects both business owners' entrepreneurial capital and firm performance, age of firm is also important. The findings from the study show that Spanish women may have learned from experience and, therefore, they adjust more to the "norms" traditionally exposed as best business practice. In this line, they develop their business activity within a team and devote less of their networking activities to personal matters. They also have financially focused goals. Concurring with Shelton (2006), Spanish women place a high level of salience on the family role but also have business experience, prefer role-sharing work-family management strategies: delegating part of the venture role to their partners and delegating part of their family role to other family members or to market services.

Inevitably, the study has a number of limitations, in particular, the differences in the age profile of the Spanish and Scottish sample. Had it been possible to

control for age of business across the two samples, clearer insights into the impact of gender and country context on both entrepreneurial capital and firm performance might have been acquired. Also, whereas some of the findings with respect to gender are similar to those of previous studies, it is generally accepted that cultural differences play a relevant role in explaining entrepreneurial activity. Therefore, an additional limitation is that the results are generated from a sample of firms competing within professional business service sectors, and only within Spain and Scotland, suggesting caution should be exercised in generalizing these results. In this respect, future studies may consider undertaking similarly focused research in other industry sectors and countries, controlling for the age of the firms.

Despite these limitations, the results may have important implications for women entrepreneurs, for policies designed to encourage and support women's entrepreneurship, and also for further research. They suggest that women face particular challenges which can restrict their accumulation of the human, social and financial capital required for new venture creation. To overcome these challenges, the results of this study suggest that women may benefit from starting in business later in life, once they have had more time to accumulate human, social and financial capital. The findings from the Spanish sample suggest that both women and men benefit from creating ventures in partnership with others, as this has the effect of increasing the entrepreneurial capital of young businesses. For policy makers, these results suggest a need to recognise the impact which gender may have on all aspects of entrepreneurship, not only access to financial resources. Policy makers are recommended to consider initiatives which can add value particularly to the social capital of Scottish women owners who, while embedded within larger PCNs than both Spanish male and female owners, make significantly greater use of these networks for personal rather than business purposes.

For researchers, the results indicate the critical impact which non-financial resources can have on firm performance and suggest that future research should explore different forms of entrepreneurial capital collectively rather than in isolation, the notion of convertibility and also the symbolic capital of entrepreneurs. Furthermore, entrepreneurship is a social process, located within wider socio-economic and cultural contexts. In this respect, emerging research that recognises that the extent and nature of women's enterprise is inextricably linked to women's positions and roles in the labour market and society may help develop insights into the relationship between entrepreneurial capital, gender and entrepreneurship.

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