

NEW-BORN FEMALE INNOVATIVE STARTUPS.

DO WOMEN IN BUSINESS UNDERPERFORM?

The role of women in entrepreneurship, management and corporate governance is regarded as central to the development and welfare of economies. Accordingly, research into gender in management and organizations is constantly and rapidly evolving. Moreover, the spur of innovative start-ups provides unprecedented opportunities for female entrepreneurship as a remedy to gender gap in occupation. Studies on the way female entrepreneurs running an innovative start-up face new business challenges can contribute to understand the new drivers affecting value creation dynamics in our knowledge-based society.

Focusing on a sample of Italian female innovative start-ups, we attempt at answering to the following research questions:

- RQ1: what are the distinguish characteristics of female entrepreneurship and innovative start-ups in term of sectoral, geographical breakdown and financial performance?
- RQ 2: In particular, how do women behave in terms of decision-making, networking, propensity to innovation, approach to creativity and co-creation when running innovative start-ups?

A prolific stream of research has been tackling the issues of female venturing in innovative sectors, and of the relation between female venturing and technological innovation. A recent literature review confirms that the last decades marked an exponential growth of women's participation in entrepreneurship activity, but the amount of scholarly research and information about the participation of women in new high-technology ventures is still extremely limited (Kuschel and Lepeley, 2016). In fact, the relation between female entrepreneurial venturing and technological innovation is still under study and more insightful studies are critically

needed (Wynarczyk and Renner, 2006). Previous studies show that personal characteristics of the entrepreneur are related to the motivation to found a start-up company (Carter et al., 2003; Liñán and Fayolle, 2015) and that gender-based differences exist on this matter (Barnir, 2012). Among other factors, women have been found to be motivated more by internal self-realization motives, whereas men pursue more business opportunities (BarNir, 2012). Gender-based differences also exist in terms of human capital that is related to the attitude to start-up a new innovative venture. In fact, whereas men leverage on industry and occupational background to invest in innovative start-ups, women tend to leverage general human capital based on education and employment opportunity (BarNir, 2012).

In female entrepreneurship, Brush (1992) introduced the idea that women perceive and approach business differently from men, and Gilligan (1982) suggests that women perceive their business as a cooperative network of relationships and as integrated into their life.

All these considered suggests that relevant variables to study the gender implication of innovative start-ups are: a) founder's human capital; b) leadership and decision making; c) networking.

An empirical investigation is developed on a sample of Italian innovative start-ups run by female entrepreneurs.

Data have been gathered from the Italian Chamber of Commerce, and downloaded on February 2018. The Italian female start-ups, object of our survey, amount at no. 1,114 companies and count for 13.14% of the whole sample of companies registered in a specific section of the Italian Register of Companies. This analysis aims to elucidate special characteristics related to the female business in comparison to the male one (i.e. sectoral, geographical breakdown and financial performance). Financial data have been gathered the Aida database from Bureau Van Dijk and a performance analysis has been conducted on no 220 available financial reporting. Afterward, the quantitative inquiry was complemented with the analysis of soft variables by no

11 deep interviews to female start-uppers with the aim to gather data on personnel characteristics and management behaviour of female start-uppers.

As far as the female start-uppers behaviour is concerned, our investigation should be considered as an exploratory study, which aims to uncover key themes and issues that can offer a research agenda for future research (Van Teijlingen, & Hundley, 2001).

Interviews were based on a semi-structured questionnaire. Female entrepreneurs were asked to tell about their curriculum vitae, their competence and reasons to launch a new business. Then other questions dealt with the business, concerning: their style of leadership and decision making and the main factors fostering and hindering the start-up establishment and growth. Interviews were recorded while taking notes and then transcribed. Each author read the empirical material independently and categorised the stream of words into meaningful categories, via manual open coding. Subsequently, the results obtained by each author were compared and discussed. In cases of disagreement in coding between the authors, interviews and other data were jointly re-analysed and codes were discussed to reach a consensus.

Our findings reveal that as far as financial performance are concerned female start-ups do not lag behind male ones in terms of profitability and other financial key indicators (i.e. EBITDA/Sales; ROI; etc.)

The high level of education and the high professional profile of innovative start-ups, have created a fundamental prerequisite to make the phenomenon significant also in technologically advanced sectors, such as the KIBS, where the percentage of female start-ups does not differ from that of the sample as a whole (75%).

From the qualitative survey some recurring features emerge in the management of these companies, which seem to us to be the critical success factors for their birth and growth:

- entrepreneurs with high knowledge and expertise achieved mainly in their high school educational path;

- a participatory leadership that fosters integrated thinking and participatory processes of co-creation;
- a strong focus on personal relationships and networking as an added value of the business model..

It seemed essential for the birth and development of the companies analyzed the use of informal and formal relationships that the female entrepreneurs develop within and outside the company (networking). The intensity of these relationships brings added value that can broaden the range of action and encourage the sharing of experiences and knowledge within the company, but also with the players in the ecosystem in which the start-up exists.

It is also important to underline the crucial role played by Social Media in the development and growth of start-ups analyzed. Their use proves to be, in fact, particularly suitable both for identifying the needs of the consumers and for providing services that are more suitable for satisfying them, than for expanding the markets and stimulating consumption.

A better understanding of the factors that help a female innovative start-up is useful for policymakers, practitioners, and educators. This understanding can help when allocating resources for the purpose of encouraging innovation and for the training of entrepreneurs to enhance competitiveness and sustainability of new ventures.

The support to female entrepreneurship is undoubtedly a useful element for the economic recovery of our country and for sustainable growth. The economic benefit that can derive from the growth of female entrepreneurship will allow the diffusion of a greater well-being that represents a fundamental component for cultural growth, which is essential for achieving gender equality.

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