Derogatory Myths about Women Entrepreneurs: Is there any Substance in the Myths in relation to Visible Minority Women Entrepreneurs in Canada?

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ABSTRACT:

Do myths influence attitudes and behavior? If so, derogatory myths about women entrepreneurs may act as a detriment to women achieving as successful business outcomes as male entrepreneurs. Brush et al. (2001, 2002) and Menzies et al. (2004) examined some derogatory myths about women entrepreneurs and found most were unsubstantiated. This study examines the same derogatory myths in relation to a sample of 101 female and 302 male visible-minority entrepreneurs from three cities in Canada. Findings show that “successful” female and male visible-minority lead entrepreneurs are quite similar in terms of personal and business characteristics.

Key Words: Women entrepreneurs, immigrant entrepreneurs, ethnic entrepreneurs, small business owners, minority women entrepreneurs, gender, international entrepreneurship.

RÉSUMÉ


Mots clés: Femmes entrepreneurs, entrepreneurs immigrants, entrepreneurs de minorité ethnique, propriétaires de petites entreprises, femmes entrepreneurs de minorités visibles, sexe, esprit d’entreprise international.

RESUMEN

¿Los mitos influyen en las actitudes y el comportamiento? En ese caso, los mitos despectivos acerca de las mujeres empresarias pueden actuar como un detrimento para que ellas alcancen resultados exitosos en los negocios tanto como los hombres empresarios. Brush (2001, 2002) y Menzies (2004), entre otros, examinaron algunos mitos despectivos acerca de las mujeres empresarias y encontraron que la mayoría carecía de fundamento. Este estudio examina los mismos mitos en una muestra de 101 mujeres empresarias y 302 hombres empresarios de las minorías visibles en tres ciudades de Canadá. Los resultados muestran que las mujeres empresarias y los hombres empresarios que son líderes y “exitosos” son bastante similares en términos de las características personales y de negocio.

Palabras clave: mujeres empresarias, inmigrantes empresarios, empresarios étnicos, propietarios de pequeñas empresas, mujeres empresarias de las minorías, género, espíritu empresarial internacional.
Derogatory Myths about Women Entrepreneurs: Is there any Substance in the Myths in relation to Visible Minority Women Entrepreneurs in Canada?

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Do myths influence attitudes and behavior? If so, exploration of the veracity of myths may be warranted. The Diana Project (Brush, Carter, Gatewood, Greene, & Hart, 2001, 2002, 2004; Carter, Brush, Gatewood, Greene & Hart, 2003) examined the derogatory myths surrounding female business owners in the US.\(^1\) They proposed that myths were “illusionary” and lacked “substance” but that myths did have “the potential to inhibit a woman’s chance of gaining access to equity capital and create a negative context for entrepreneurial growth” (p. 5). The myths included, for example, that women do not have the right education or experience to lead high growth businesses, are not in a network and lack the social contacts to build credible ventures, are not financially savvy and lack the resources to start high growth businesses, do not submit business plans, women-owned ventures are in industries unattractive to venture capitalists, and women do not want to own high growth businesses. Menzies, Diochon, and Gasse (2004) examined some of the Myths identified in the Diana Project, comparing female and male nascent entrepreneurs. Both studies reported results that substantiated a few of the derogatory myths, for example, women are disadvantaged in the hi-tech business arena. This is due, it is hypothesized, to the lack of women studying engineering and computer science at the undergraduate and graduate level. Results also showed that fewer women than men engage in business start-up training. However, these studies overall, found remarkably few differences in personal and business characteristics between male and female business owners.

There is a strong rationale for studying women entrepreneurs, and especially members of ethnic minority groups. Women entrepreneurs are under-researched in the entrepreneurship literature in general, and in the ethnic-based literature, in particular. A 1982 to 1995 review found only 22 out of 3206 papers in academic journals focused on women entrepreneurs (Baker, Aldrich, & Liou, 1997). A second 1995 to 1997/98 review, found 28 out of 435 papers, across six journals and one

\(^1\) For an explanation of the Diana Project and recent publications see the following http://www.esbri.se/diana.asp?link=research_outcomes
proceedings, addressed women entrepreneurs (Brush & Edelman, 2000). An ethnic entrepreneurship-specific, 1988 to 1999 literature review, found that only 4% (3 out of 80) of the articles focused to some extent on women or a comparison between women and men (Menzies, Brenner, & Filion, 2003). Various arguments are proposed for the lack of entrepreneurship gender-specific studies (Brush & Edelman, 2000). These arguments centre on the theme that more similarities than differences have been found in past studies, hence the redundancy of further study. There is also a bias towards studying large organizations, where male entrepreneurs predominate. If myths influence attitudes or behaviors, then a range of stakeholders could be influenced by negative myths about women in business. Young women may not choose a venturing career,\(^2\) service providers and financial institutions may treat women differently due to these myths. Women business owners themselves may be influenced as may their customers, suppliers and employees.

Our objective is to conduct an exploratory study that will partly replicate the work by Menzies et al. (2004) investigating the derogatory venturing-related myths about women in business. However, instead of using a sample of nascent entrepreneurs, we will study the derogatory myths about female entrepreneurs in relation to ethnic-minority entrepreneurs, who are also visible minorities. The use of a comparison group, namely visible-minority male entrepreneurs, is an important contribution to the literature, as studying only females has been cited (Riding & Swift, 1990) as a weakness of some previous work. We include in our study Chinese, Vietnamese, and Sikh, female and male business owners.\(^3\) We use the term “ethnic” in line with Aldrich and Waldinger (1990) who view ethnicity as “self-identification with a particular ethnic group, or a label applied by outsiders” (p. 131). In this paper we explain the methodology of the study and present our findings in relation to the testing of several hypotheses. We then conclude with a discussion of our findings and the implications for theory, practice, and policy.

**BACKGROUND LITERATURE**

*The Myths Examined*

Eight Myths were developed by Brush et al. (2001) as part of a large-scale academic and practitioner project that identified and sought to address the shortage of women seeking and receiving venture capital for their businesses. The theoretical basis for the Myths concern at least three theoretical constructs, namely, Human Capital Theory (Becker, 1993; Coleman, 1988; Gimeno et al., 1997) which deals with, for example, age, education and experience; Social Capital Theory (Adler & Kwon, 2002; Field, 2003; Portes, 1998; Woolcock, 1998) which examines, for example, networks and relationships of trust; and Financial Capital Theory (Portes, 1998) based on wealth and income, which can be enhanced by human and social capital.

Brush et al. (2001) found that many women in their study, just like men, wanted to build high growth businesses. In relation to education, they found that women were very well educated, but did not often have degrees in engineering or computer science. Regarding experience, women

\(^2\) For a comparison of male vs. female student propensity to study entrepreneurship at university, see Menzies and Tatroff (2006).

\(^3\) We studied five ethnic groups, but omitted the Italian and Jewish, for this study of visible minorities. For conference papers and publications on one or more of the groups studied, see: [http://www.sauder.ubc.ca/research/research_centres/era/arena4-papers.cfm](http://www.sauder.ubc.ca/research/research_centres/era/arena4-papers.cfm)
were less likely to have technical management experience. However, they cautioned that the experience of the team, not just the lead entrepreneur, should be regarded as an important factor when judging management experience. The myth that women are not part of the critical networks that allow them to access venture capital was largely refuted by many women in the Brush et al. (2001) study who had networked effectively to obtain financing. Women business owners were accessing financing from a wide range of sources, and also had personal financial resources, casting some doubt on the myth about women lacking financial savvy and resources. Brush et al. (2001) also found, contrary to common belief, that women do start businesses in industries attractive to venture capitalists.

Menzies et al. (2004) in their study of these same venture related myths in relation to female nascent entrepreneurs found that women and men in their sample were very similar in terms of experience, networks, submission of business plans to equity providers, and desire to own a high growth business. They did, however, note differences between men and women in relation to educational background (women majored less in engineering and computer science), training in business start-up (women had less), and type of business (men were more likely to start hi-tech businesses).

Institutional and Organizational Theories in relation to the Myths

During the 20th century, political, social, economic, and cultural influences led to a paradigmatic shift in women’s employment (Johnston & Packer, 1987). If we employ an evolutionary theory perspective, then according to Aldrich (1999) simultaneously occurring stages of “variation” (a change in routine or organizational form), “selection” (differential elimination of certain types of variations), “retention” (selected variations are preserved, duplicated or otherwise reproduced), and “struggle” (contest to obtain scarce resources) were initiated and are currently ongoing, in terms of the nature of women and work. Most institutional and organizational theories were developed during the 20th century (Berger & Luckmann, 1967; Scott, 1987; Selznick, 1957; Weber, 1947) reflecting a predominantly male workplace, where even today, males dominate the hierarchy (Martin, 2000). Early institutional theories focused on “myths, and beliefs as shared social reality and on the processes by which organizations tend to become instilled with value and social meaning” (Oliver, 1999, p.145).

Habitualization (patterned behaviors) and objectification (the social meaning in relation to the behaviors) are the foundation of institutional theory (Tolbert & Zucker, 1994). Thus myths can arise when non patterned attitudes and behaviors intrude on the patterns which have strong shared social meaning. Furthermore, Dacin (1997) cautions that the power of institutional forces can lead to institutional prescriptions largely due to “societal expectations of appropriate organizational action … based on a variety of institutional norms, or rules, in a desire to achieve a fit, or become isomorphic with their normative environments (p. 48). For example, a study by Nicholson and Anderson (2005) utilizing a social constructivist conceptualization of structure and agency found evidence of “entrepreneurial mythmaking” in newspaper reports of successful entrepreneurs, who are described as “supernatural and fantastical” However, only 13 of the 480 newspaper articles concerned women entrepreneurs.

A longitudinal resource development model of power in organizations, was developed and utilized by Ragins and Sundstrom (1989) to compare men and women at various career stages.
They found that women are disadvantaged in “accessibility” and “utility” of resources for power. Their findings strongly support the Myths described by Brush et al (2001, 2002).

An analysis by Bruni, Gherardi, and Poggio (2004) of the entrepreneur mentality in relation to women provides a disciplinary and theoretical grounding for the myths examined in this paper. Bruni et al. (2004) draw on the business economics, psychological, and sociological literatures to explain derogatory ordering of women entrepreneurs in relation to choice of industry, financing, and networking. They conclude that “the concept of entrepreneurship seems to be discriminatory in its, gender-bias, ethnocentric determinism and ideological imposition” (p.266). Visible minority women entrepreneurs may be especially disadvantaged due to social exclusion, at both the structural and individual levels (Blackburn & Ram, 2006).

**Chinese, Sikh and Vietnamese Entrepreneurs**

Entrepreneurs from the three ethnic minority groups in our study (Chinese, Sikh, and Vietnamese) have been the subject of previous studies. For example, Chinese entrepreneurs in Canada (Marger & Hoffman, 1992; Wang, 1999; Wong & Ng, 1998), Hong Kong (Chu, 1996), the UK (Deakins, Majmudar, 7 Paddison, 1997), and US (Iyer & Shapiro, 1999; Lee, 1999; Saxenian, 1999); Vietnamese entrepreneurs in Canada (Juteau and Paré, 1996); Indian entrepreneurs in Canada (Walton-Roberts & Hiebert, 1997); and Asian entrepreneurs in general, in Canada (Bherer & Robichaud, 1997), the UK (Deakins, Majmudar, & Paddison, 1997; Dhaliwal, 1998; Werbner, 1999) and the US (Boyd, 1990). This literature mostly concerns male entrepreneurs and spans topics like personal entrepreneur characteristics, business characteristics, business problems, financing issues, family business issues, and immigration patterns (Stiles & Galbraith, 2003; Menzies, Filion, & Brenner, in press).

**Ethnic Minority Women Entrepreneurs**

Women are mentioned in several studies of ethnic entrepreneurs, but it is most often in relation to their role in the family business. The term “hidden women” is a common term in the ethnic related literature and describes a situation whereby the husband is considered the business owner while his wife manages and works in the business, usually full-time (Dallalfar, 1994; Dhaliwal, 1998; Ram, 1994; Walton-Roberts & Hiebert, 1997). In addition, some studies report on exploitive situations whereby women, including wives and children, are unpaid workers (Phizacklea & Ram, 1995). Our concern in this paper, however, is the study of ethnic minority women entrepreneurs who are the acknowledged lead entrepreneur.

Dhaliwal (1998) studied independent women business owners and “hidden women” with a sample of ten women entrepreneurs (5 self-employed and 5 in family businesses). Her main finding was that women entrepreneurs did not start their own business until their children had left home. This finding clearly embeds the study of ethnic women entrepreneurs within the realm of work-family conflict that applies to women in general (Foley & Powell, 1997; Frone, Russell & Cooper, 1992). Although not pursued in this paper, the issue of family affecting work and work affecting family and the re-conceptualization of work and family domains is very relevant to the study of women entrepreneurs.
There is a lack of literature on ethnic minority women lead entrepreneurs. We found only a handful of studies that addressed the same topics as the myths outlined earlier (Brush et al., 2001; Menzies et al., 2004). Shim and Eastlick (1998) reporting on US Hispanic women business owners found the following when comparing male and female Hispanic business owners: Female business owners had less business experience prior to owning a business; there was no difference according to industry sector of business or legal status; female-owned businesses had fewer employees and lower sales; and female owners had more problems in financial areas (debt, capital). A study of women entrepreneurs in Singapore (Maysami & Goby, 1999) found the businesses were in the service and retail industries, and many were home-based businesses. Shabbir and Gregorio (1996) studied the personal goals of potential and operating women entrepreneurs in Pakistan. They found that women who were using a business as a source of security rather than satisfaction were more likely to succeed, as were those who had the support of their husband. A study of women entrepreneurs in Java (Singh, Reynolds & Muhammad, 2001) found that male and female owned businesses were similar according to industry (food processing, textiles and garment, trade, services) but that men owned more businesses in manufacturing (71% vs 23%). They also found that men had more training to run their business, more employees, and that the business income was a larger part of the household income. Most of these studies, however, report on women who are part of the majority ethnic group in a country. There are exceptionally few studies that report on women lead entrepreneurs who are part of an ethnic minority. With globalization and increasing immigration, the study of ethnic minority women lead entrepreneurs (and men), is of increasing importance worldwide.

The Incidence of Male and Female Ethnic Minority Entrepreneurs in Canada

The macro picture of ethnic minorities and the number that are business owners is important to place our study within a national perspective. According to the 1996 Census, 11% of the Canadian population belonged to a visible minority. As of 2000, only 7% of all small and medium sized enterprises (SMEs) were owned by visible-minority-owners, with a higher percentage in Ontario (9%) and British Columbia (13%), and a lower percentage in Quebec (3%) (Industry Canada, 2002). In Canada, as of the year 2000, only 18% of visible-minority-owned SMEs were majority female-owned, while 60% were owned by males (Industry Canada, 2002). Men and women jointly owned 22% of ethnic-minority-owned SMEs. In comparison with the Butler and Greene (1997) stereotype of ethnic business owners having “small service activities,” in Canada statistics show that minority-owned SMEs are larger than the average SME, are more likely to be incorporated, and more highly represented in knowledge based industries (11%), and the wholesale and retail sector (10%). Visible-minority SME owners are significantly more likely to have a university degree than non minority SME owners (51% vs 31%) but they were found to have less industry experience than SME owners in general (Industry Canada, 2002).
HYPOTHESES

Based on the studies by Brush et al. (2001, 2002) and Menzies et al. (2004) we have operationalized as hypotheses five of the myths which will be examined in this study.

\( H^1 \): Women do not have the right educational backgrounds to build large ventures.
\( H^2 \): Women do not have the right types of experience to build large ventures.
\( H^3 \): Women are not in the network and lack the social contacts to build credible ventures.
\( H^4 \): Women do not have the financial savvy or resources to start high growth businesses.
\( H^5 \): Women-owned ventures are in industries unattractive to venture capitalists.

METHODOLOGY

Respondents in this study are from three ethnic minority groups (Chinese, Sikh, Vietnamese) from the three largest Canadian cities (Toronto, Montreal, and Vancouver). We used a convenience sample of lead entrepreneur owner/managers based on a snowball technique, starting with referrals from ethnic business organizations and the personal contacts of the researchers and interviewers. Interviews were conducted by graduate students who were carefully selected and well trained by the principal researchers, and belonged to the same ethnic group as that being studied. Interviews included closed, semi, and open-ended questions. Interviews took from one to two hours to complete. Although it was a convenience sample, we attempted to identify profitable businesses and business owners who would represent their ethnic group well in terms of business success. There were no home-based businesses surveyed. The three ethnic groups were aggregated by sex. We then calculated frequencies for the female and male respondents in our study. To test for significant differences between male and female respondents we performed Chi Square and t-tests as appropriate.

FINDINGS

The sample reported on in this study (Table 1) includes 101 female lead entrepreneurs of whom 48.5% are Chinese, 17.8% Sikh, and 33.7% Vietnamese, and 302 male lead entrepreneurs of whom 33.8% are Chinese, 39% Sikh, and 27.2% Vietnamese. In total our respondents include 151 Chinese, 136 Sikh, and 116 Vietnamese.

<table>
<thead>
<tr>
<th>Respondent sex</th>
<th>Female (n)</th>
<th>%</th>
<th>Male (n)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent sex</td>
<td>101</td>
<td>25.1%</td>
<td>302</td>
<td>74.9%</td>
</tr>
<tr>
<td>Ethnic origin of respondent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td>49</td>
<td>48.5%</td>
<td>102</td>
<td>33.8</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>34</td>
<td>33.7%</td>
<td>82</td>
<td>27.2</td>
</tr>
<tr>
<td>Sikh</td>
<td>18</td>
<td>17.8%</td>
<td>118</td>
<td>39.0</td>
</tr>
<tr>
<td>Immigrant vs. non-immigrant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born outside of Canada</td>
<td>93</td>
<td>92.1%</td>
<td>281</td>
<td>93.7</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>Female (n)</th>
<th>Female %</th>
<th>Male (n)</th>
<th>Male %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age of respondent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-30</td>
<td>16</td>
<td>16.4</td>
<td>32</td>
<td>11.1</td>
</tr>
<tr>
<td>31-40</td>
<td>29</td>
<td>29.9</td>
<td>77</td>
<td>26.7</td>
</tr>
<tr>
<td>41-50</td>
<td>34</td>
<td>35.1</td>
<td>124</td>
<td>43.1</td>
</tr>
<tr>
<td>51-60</td>
<td>18</td>
<td>18.6</td>
<td>46</td>
<td>16.0</td>
</tr>
<tr>
<td>61-70</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Level of education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary &amp; Below</td>
<td>25</td>
<td>25.3</td>
<td>90</td>
<td>32.3</td>
</tr>
<tr>
<td>College &amp; University</td>
<td>56</td>
<td>56.6</td>
<td>130</td>
<td>46.6</td>
</tr>
<tr>
<td>Graduate School</td>
<td>18</td>
<td>18.1</td>
<td>59</td>
<td>21.1</td>
</tr>
<tr>
<td><strong>Industry sector of previous experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>71</td>
<td>83.5</td>
<td>174</td>
<td>63.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5</td>
<td>5.9</td>
<td>59</td>
<td>21.4</td>
</tr>
<tr>
<td>Retail</td>
<td>9</td>
<td>10.6</td>
<td>43</td>
<td>15.6</td>
</tr>
<tr>
<td><strong>Business and previous industry Experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The same industry</td>
<td>60</td>
<td>70.6</td>
<td>185</td>
<td>67.3</td>
</tr>
<tr>
<td>Different</td>
<td>25</td>
<td>29.4</td>
<td>90</td>
<td>32.7</td>
</tr>
</tbody>
</table>

*p<.05, **p<.01, ***p<.001

As the Canadian national figures for visible minority-owned businesses show only 18% are owned by women, we have achieved a higher participation rate by women (25.1%). Most of our sample respondents were immigrants to Canada (92% of females and 94% of males). Our respondents were mostly between the ages of 21 and 60, just over half of the women (54%) and men (62%) were over 40 years of age, but also a large number (women 46%, and men 38%) were in their 20s and 30s. The age of the businesses owned by our respondents ranged from 1 to 50 years, with women having significantly newer businesses (average 6.6 years for women vs 9.5 years for men) (*t*(181)=3.67, *p*<.001). About three-quarters of the businesses in our survey were micro-businesses with less than five employees (73% female-owned, and 69% male-owned), but no significant difference between female-owned or male-owned businesses was found according to business size.

**H1: Women do not have the right educational backgrounds to build large ventures**

We found almost a fifth of the women had a graduate degree and only about a quarter had not attended college or university (Table 1). Overall, there was no significant difference between the women and men in our study regarding level of education. Our respondents were generally very well educated with about three-quarters of both sexes having taken post-secondary education.

**H2: Women do not have the right types of experience to build large ventures.**

We examined the length and type of experience according to several variables. Our first variable examined the length of working experience. We found that men and women had about the same length of previous working experience prior to starting their business (women 10.5 years, men 10.6 years). Almost one tenth (9.5% of women and 7.7% of men) had no working experience prior to owning their business. The length of previous work experience ranged from one to 35 years with no significant difference between women and men. The industry in which the entrepreneurs had worked prior to starting their own business was found to be significantly different for men and women [*χ²*(2, *N* = 361) = 13.94, *p* < .01] (Table 1). More men than women
had previous work experience in manufacturing while women had more experience in the service industry. Women had less experience in retail than men. When we examined the relationship between industry of previous working experience and that of their business, we found no significant difference, which indicates that women are as likely as men to open a business that is in the same industry as where they obtained their previous working experience. Moreover, women are as likely as men to open a business in an industry where they have not had previous work experience.

**H 3:** Women are not in a network and lack the social contacts to build credible ventures.

The first variable we tested for Hypothesis 3 related to the number of hours spent in an average week on networking to expand the business. We found that about a quarter of both the male and female respondents reported that they did not engage in any specific networking activities to expand their business (26.3% of women and 21.3% of men). The reported hours spent on networking activities ranged from 0 to over 50 per week, with the average being 14 hours for both men and women. The composition of the network was examined using several variables (Table 2). We investigated whether, given that almost all our respondents were immigrants, they used people in their homeland for networking to assist their businesses in any way. A very small number (10%) of both women and men reported using their homeland networks for assisting with their business growth. About half (57% women vs 49% men) reported using members of their own ethnic group, living in Canada, as part of their business network. About three-quarters of both women and men reported that they did not belong to a business or trade association, while a quarter belonged to up to four business/professional/trade associations. We enquired into membership in social clubs and about 80% of both women and men did not belong to any. There were no significant differences between women and men according to the variables we used to measure networking practices (Table 2).

**Table 2**

Network and business information

<table>
<thead>
<tr>
<th></th>
<th>Female (n)</th>
<th>%</th>
<th>Male (n)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do people in homeland currently help with the business?</td>
<td>46</td>
<td>90.2</td>
<td>179</td>
<td>90.4</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>56.9</td>
<td>96</td>
<td>48.7</td>
</tr>
<tr>
<td>Do people from homeland in Canada currently help?</td>
<td>30</td>
<td>29.7</td>
<td>100</td>
<td>33.3</td>
</tr>
<tr>
<td>Yes</td>
<td>71</td>
<td>70.3</td>
<td>199</td>
<td>66.6</td>
</tr>
<tr>
<td>Membership in Associations which assist networking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business or prof./trade association: 1 to 4</td>
<td>81</td>
<td>80.2</td>
<td>237</td>
<td>79.3</td>
</tr>
<tr>
<td>Business or professional/trade association: No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership in social clubs</td>
<td>40</td>
<td>43.5</td>
<td>137</td>
<td>49.1</td>
</tr>
<tr>
<td>Social club member: no</td>
<td>20</td>
<td>40.8</td>
<td>151</td>
<td>76.3</td>
</tr>
<tr>
<td>Was it difficult to obtain financing?</td>
<td>28</td>
<td>57.1</td>
<td>47</td>
<td>23.7</td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
<td>2.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Classify this business as***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successful</td>
<td>27</td>
<td>39.7</td>
<td>100</td>
<td>43.1</td>
</tr>
<tr>
<td>Breakeven</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsuccessful</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Do you have partners?</td>
<td>27</td>
<td>39.7</td>
<td>100</td>
<td>43.1</td>
</tr>
<tr>
<td>Yes</td>
<td>20</td>
<td>40.8</td>
<td>151</td>
<td>76.3</td>
</tr>
<tr>
<td>Are these partners family members?</td>
<td>28</td>
<td>57.1</td>
<td>47</td>
<td>23.7</td>
</tr>
</tbody>
</table>
Female (n) % Male (n) %
Yes 4 14.8 22 22.0

**Reasons for deciding to have partners**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Female (n)</th>
<th>%</th>
<th>Male (n)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>To acquire expertise</td>
<td>6</td>
<td>13.6</td>
<td>26</td>
<td>16.0</td>
</tr>
<tr>
<td>To share the risk</td>
<td>7</td>
<td>15.9</td>
<td>31</td>
<td>19.0</td>
</tr>
<tr>
<td>To share the cost*</td>
<td>8</td>
<td>18.2</td>
<td>55</td>
<td>33.7</td>
</tr>
<tr>
<td>For family reasons</td>
<td>11</td>
<td>25.0</td>
<td>30</td>
<td>18.4</td>
</tr>
<tr>
<td>It was a term of the inheritance</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**Industry classification of business**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Female (n)</th>
<th>%</th>
<th>Male (n)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>63</td>
<td>62.4</td>
<td>177</td>
<td>59.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>2.0</td>
<td>18</td>
<td>6.0</td>
</tr>
<tr>
<td>Retail</td>
<td>36</td>
<td>35.6</td>
<td>105</td>
<td>35.0</td>
</tr>
</tbody>
</table>

*p<.05, **p<.01, ***p<.001

**H4:** Women do not have the financial savvy or resources to start high growth businesses.

We considered the lead entrepreneur’s share of the initial investment and the dollar amount of that investment, when their business was launched, as a measure of financial resources (Table 3). There was no significant difference between men and women according to their share of the initial investment (as a percentage of the whole investment). The female lead entrepreneurs had, on average, provided 85% and the men 75%, although there was a considerable range across both the male and female participants. Regarding the total dollar amount of start-up capital, there was no significant difference between men and women. Both groups had contributed, on average, well over $100,000 at the start of their business. The range of contributions was from 0 to $6,000,000 with an average of $147,316 ($50,000 mode).

<table>
<thead>
<tr>
<th>0-49 %</th>
<th>50 %</th>
<th>51-99 %</th>
<th>100 %</th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>10</td>
<td>11.2%</td>
<td>8</td>
<td>9.0%</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Male</td>
<td>48</td>
<td>17.0%</td>
<td>51</td>
<td>18.1%</td>
<td>27</td>
<td>9.6%</td>
</tr>
<tr>
<td>n</td>
<td>58</td>
<td>59</td>
<td>34</td>
<td>34</td>
<td>220</td>
<td>371</td>
</tr>
</tbody>
</table>

The current sales of the business may arguably, partly, be related to the financial savvy of the entrepreneur. There was no significant difference between men and women with regards to revenue from sales (Table 4). Both had a mean of over $200,000 with a similar standard deviation. There were many businesses (49% women-owned vs 38% male-owned) with sales of $100,000 or less and a handful of businesses owned by women and men that had sales in excess of $2,500,000. About half of both women and men had found it difficult to obtain financing (Table 2). A significant difference was found regarding the reported profitability of the businesses. More men reported successful businesses while more women reported just being at breakeven levels $\chi^2 (1, N=246) =21.82, p<.001$. 

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We examined whether respondents had partners in their business as we considered this within the realm of resources available to the entrepreneurs. Almost half of both the female and male respondents had one or more partner (Table 2). We found that a similar percentage of men and women went into partnership to compensate for their lack of expertise, however, the percentage was small (14% women vs 16% men). There was a significant difference between men and women as to the reason for acquiring a partner, whereby women did so less often to share the cost (18% women vs 34% men) \[ \chi^2 (1, N = 127) = 5.47, p < .05 \]. Family members were frequently partners and the percentage was similar for both men and women.

**H^5:** Women-owned ventures are in industries unattractive to venture capitalists.

We found no significant difference between men and women when we examined their businesses according to type of industry (Table 2). Despite our findings regarding previous working experience, with men having significantly more experience working in manufacturing, there was no difference between men and women regarding type of industry in which their business operated. Very few businesses were in manufacturing, two-thirds were in services and one third in retail.

**CONCLUSION AND DISCUSSION**

In table 5 we summarize our hypotheses testing in relation to the derogatory Myths about women entrepreneurs (Brush et al., 2001; Menzies et al., 2004). We compared relevant personal and business characteristics of Chinese, Sikh, and Vietnamese lead entrepreneurs from Toronto, Montreal, and Vancouver, 101 of whom were female entrepreneurs and 302 male. Our results indicate that the Myths are largely untrue in relation to our study participants. We found no significant differences between women and men for the eight variables we used to examine education level achieved, networking practices, or industry sector of the business.

For working experience we found no significant differences for two of the three variables we utilized. The industry sector of prior experience showed women to be less frequently employed in manufacturing. However, as the number of current businesses for both men and women in manufacturing was similar, and as there was equal correspondence between sector of preparatory experience and sector of startup it would seem to refute the hypothesis regarding a lack of experience in women’s background. For financial savvy and resources, over the eight variables utilized, only level of profitability was significantly different for women and men. Women stated more frequently that they were not yet profitable. The level of profitability could be related to the significantly newer businesses owned by women as compared to men. Women overall, had newer businesses (average 6.6 years in existence vs 9.5 years for men). However, this finding
requires further research before we can dismiss the lower profitability as simply related to business age. We conclude that our findings indicate that the derogatory myths that are sometimes leveled against women in business are largely without substance for our visible-minority women lead entrepreneurs.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Supported</th>
<th>Not supported</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>H¹ Women do not have the right educational backgrounds to build large ventures</td>
<td>X (1)</td>
<td></td>
<td>Education level.</td>
</tr>
<tr>
<td>H² Women do not have the right types of experience to build large ventures.</td>
<td>X (1) X (2)</td>
<td></td>
<td>Length working experience, industry of prior experience, experience matching business.</td>
</tr>
<tr>
<td>H³ Women aren’t in the network and lack the social contacts to build credible ventures.</td>
<td>X (5)</td>
<td></td>
<td>Hours, ethnic group in homeland, ethnic group in Canada, member associations, clubs.</td>
</tr>
<tr>
<td>H⁴ Women do not have the financial savvy or resources to start high growth businesses.</td>
<td>X (1) X (7)</td>
<td></td>
<td>% of initial investment, $ start-up capital, current sales, profitability, financing, partnership.(8 variables)</td>
</tr>
<tr>
<td>H⁵ Women-owned ventures are in industries unattractive to venture capitalists</td>
<td>X (1)</td>
<td></td>
<td>Industry sector of current business.</td>
</tr>
</tbody>
</table>

Note: Bold denotes a significant difference was found. The number in brackets refers to the number of variables.

Our findings conflict somewhat with the few previous studies found in the literature regarding ethnic minority women business owners. According to previous studies (e.g. Shim & Eastlick, 1998; Singh et. al., 2001), women entrepreneurs were shown to have less prior working experience, and their businesses had fewer employees, lower sales, more financial problems, and were not active in the manufacturing sector. Given the number of women and men interviewed and the geographic spread of our sample, we consider our findings important, as they cast doubt on the stereotypical view of ethnic minority women entrepreneurs as second rate players in comparison to male entrepreneurs. However, we provide a caution in that most of the previous literature we have cited studied women entrepreneurs who were part of the ethnic majority. We are studying ethnic minority women entrepreneurs, most of whom are immigrants.

Our study is a first step in dismissing the derogatory stereotypes that exist as evidenced by Brush et al. (2001) about women business owners. However, there is an important issue, which is the low incidence of ethnic minority women entrepreneurs, nationally in Canada. For every five ethnic minority-owned businesses, three are owned by a man, one is owned jointly by a man and a woman and only about one will be majority owned by a female. Nevertheless, our findings show that on almost every measure of preparedness, ability, networking, sales revenue, and industry sector, women are comparable to men. There are just a lot fewer ethnic minority women than ethnic minority men pursuing a career path as lead entrepreneurs.
IMPLICATIONS FOR THEORY, PRACTICE AND POLICY

Findings from our study are a contribution to the meager literature that exists regarding ethnic minority women entrepreneurs. Our study is particularly valuable because, not only does our work provide useful findings about visible-minority women entrepreneurs, but it also adds to our knowledge of visible-minority men and their businesses, also an under-researched area, with theory largely built on case studies (e.g. Dallalfar, 1994; Dana, 1993; Iyer & Shapiro, 1999; Phizacklea & Ram, 1996) and census data (e.g. Bates, 1997; Boyd, 1990; Camarota, 2000; Charmard, 1995; Li, 1994; Portes & Jensen, 1989).

Service providers in the small business sector, especially in areas where there are ethnic minorities can use our findings to better gauge the needs of female-led businesses. Perhaps the most surprising finding from our study is that about a quarter of both the women and men in our study did not report engaging in any specific networking to assist their business growth. There may well be a need to assist business owners with publicly or privately run networking support programs. Also of interest is the finding that only about half of our respondents received help to grow their business from members of their ethnic group in Canada, and only about 10% sought help from people in their homeland. Within the framework of Social Capital Theory (Aldrich, Waldinger & Ward, 1990; Bates, 1994; Rath & Kloosterman, 1999; Werbner, 1999), the networking benefits of belonging to an ethnic group have been considered one of the inherit advantages of some ethnic business owners (Menzies, Brenner & Filion, 2003). Our findings raise a question about the level of ethnic community involvement, as well as the networking activities of a large number of women and men business owners in our study. These findings have practical implications for those who teach and provide services for those in the ethnic minority small business sector.

The low incidence of visible-minority women lead entrepreneurs is of considerable interest to policy makers (Industry Canada, 2002). Programs and incentives could perhaps be utilized to nurture ethnic minority women to consider business ownership. Then again, the literature points out cultural issues, especially the incidence of “hidden women,” that mitigates parity between the sexes regarding the acknowledged lead entrepreneur. This study is exploratory and much further research is required on a range of issues that have been raised in this paper. However, we have illustrated that the derogatory Myths are largely without foundation for visible-minority lead women entrepreneurs, based on our national study in Canada.

Limitations

The data from respondents reported in this study was collected for a related investigation of human, social, and financial capital. Therefore, we only had information to allow us to examine five of the eight myths identified by Brush et al. (2001, 2002).
REFERENCES


