

GENDER DIFFERENCES IN ENTREPRENEURIAL POTENTIAL: A STUDY OF BUSINESS STUDENTS IN GERMANY AND THE U.S.

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Despite the increase in the number of self-employed women in recent years, there is still a substantial gender gap in the number of business owners. The Global Entrepreneurship Monitor reports ratios of 2:1 for entrepreneurial activities between men and women in Germany and 1.6:1 in the U.S. Similar gender-based differences are reported for start-up attitudes and assessment of start-up chances.

This study investigates gender-based differences in entrepreneurial potential in the U.S. and Germany. The existing literature identifies personal attributes that are associated with successful entrepreneurs. In addition to attributes such as team and customer orientation, attributes related to entrepreneurial potential include personality characteristics such as locus of control and emotional stability.

The gender ratios reported by the Global Entrepreneurship Monitor imply that the gender-based difference in entrepreneurial potential is lower in the U.S. than in Germany. Raab et al. (2005) [1] conducted a comparative study on entrepreneurial potential of business students in the U.S. and Germany and did not find that the two groups differed significantly. However, the American and German students differed significantly with respect to specific attributes related to entrepreneurial potential.

In this study, we compare German and American business students with respect to gender-based differences in entrepreneurial potential considering ten attributes. Specifically, the following attributes are investigated: achievement motivation, internal locus of control, risk-taking propensity, problem solving, ability to assert oneself, tolerance of ambiguity, empathy, emotional stability, team ability, and customer orientation. Additional factors related to an interest in entrepreneurial activity such as “bequested entrepreneurship” (parents have been owners of a business) are included. Data were collected in Germany and the United States from 262 German and 203 American business students. Significant differences between men and women were found in three attributes and in entrepreneurial potential. There was no difference between men of the two countries but female students in Germany were significantly more performance oriented than female students in the U.S. Further analysis showed a significant interaction between gender and nationality in relation to the need for achievement. Implications of the findings are discussed.

- [1] Raab, G., Stedham, Y., and Neuner, M. (2005) Entrepreneurial Potential: An Exploratory Study of Graduate Business Students in the U.S. and Germany. Journal of Business and Management, Vol. 11, No. 2: 71-88