
Joana MOTTA⁶⁹, Maria BARBOSA⁷⁰

FEMALE ENTREPRENEURSHIP IN PORTUGAL: A FOCUS GROUP INTERVIEW

Introduction

According to the Lisbon Agenda the European Commission is fully aware of the key role that entrepreneurship plays as a job provider and a drive for economic development. In the European Union less women than men start their own business, and if so, in retail and services, markets that are often considered to be less important to national growth. Statistics on women entrepreneurs and their activities are scarce. According to the Final Report on the “Evaluation on Policy: Promotion of Women Innovators and Entrepreneurship” undertaken by the European Commission – Enterprise and Industry in July 2008, only 20,3% of firms started with venture capital belonging to female entrepreneurs at the European level, and only 10% of high-tech business is owned by women.

Several obstacles to female entrepreneurship were identified: 1) contextual obstacles like the women’s academic qualification choices, segregation in employment, stereotypes; 2) economic barriers like difficulties in accessing capital; and 3) attitude and behavioural obstacles like the lack of access to relevant business networks, lack of proper training and skills, and lack of self-confidence, assertiveness and risk-taking.

Literature review

Gender is becoming an emerging theme in entrepreneurship research (Richtermeyer, 2003; Minniti & Naudé, 2010). The reason can be found in the growing interest and emphasis given to entrepreneurship and its role in economic growth processes (Minniti, 2008; Gries & Naudé, 2010) and to the growing number of female entrepreneurs and their impact on wealth and household expenditures (Kevane & Wydick, 2001). A higher proportion of men engage in entrepreneurial activities as compared to women (Langowitz & Minniti, 2007; Estrin & Mickiewicz, 2009; Klapper & Parker, 2010), mainly due to the lower level of optimism and self-confidence and the fear of failure (Koellinger et al., 2009). As De Bruin et al. (2006) and Greene et al. (2007) stated, more insight in female entrepreneurship is needed; Calás et al. (2007) stresses that it can even contribute to better understand social change.

⁶⁹ Contact : joana.motta@lx.isla.pt

⁷⁰ Contact : mariabarbosa@cigest.ensinus.pt

A new firm can be a result of a subsistence need - like unemployment - or a new market opportunity found, but it can also be the result of a professional choice between self-employment and wage employment (Maloney, 2004).

According to Reynolds (1993) and Minniti & Naudé (2010) the entrepreneurial process can be characterized by the following phases: 1) the conception and gestation phase; 2) the infancy phase (creation of firm); 3) the adolescence phase and 4) the mature phase. A fifth phase can be included, namely the firm closure.

Usually the conception phase is characterized by a state of watchfulness of the entrepreneur seeking out for business opportunities that can be taken in advantage (Licht, 2007). Networking has been proved to be essential to start a firm (Yueh, 2009).

Several questionnaires have been developed trying to access the entrepreneur's ability to take and accept uncertainty and risk and to commit financially. Goedhuys & Sleuwaegen (2000) verified that the entrepreneurial aptitude can be identified by measuring educational qualifications and experience, whilst the former can be compensated by the latest (Naudé & Rossouw, 2010). The meta-analysis of Eckel & Grossman (2008) revealed that there is no significant evidence of systematic differences in behaviour between men and women regarding risk exposure.

Several barriers to female entrepreneurship have been identified along the literature: lack of self-confidence (Langowitz & Minniti, 2007; Yueh, 2009); and lack of possessions and difficulty in accessing micro-credit (Horrell & Krishnan, 2007). Facts have shown that women frequently earn less as entrepreneurs than their male counterparts but their motivation to start a business may also be driven by other objectives, to be exact, to have a job that allows a better work-life balance (Justo & DeTienne, 2008). Menzies et. al. (2004) suggest that different obstacles exist for female entrepreneurs than for male.

The growth of female firms in the mature phase has been studied by a number of scholars (Amine & Straub, 2009; Nichter & Goldmark, 2009). According to Minniti & Naudé (2010) different factors can be identified to be responsible for influencing a slow growth pattern of female managed firms: lesser entrepreneurial skills, tendency to operate in informal industries, family networking, non-growth motivations and sexist discriminating cultural values. Regarding demographic factors like age, female entrepreneurs start their firms later in life than male entrepreneurs (Brush et al., 2006).

In comparison with male-owned business ventures the firm turnover rate of women-owned firms tends to be higher (Fairlie & Robb, 2009). According to Andersson (2006) and Justo & deTienne (2008) women entrepreneurship drop-out is not necessarily a consequence of failure but often a voluntary option that may lead to a better work-life balance and / or to retirement, whilst passing on the business to the up-coming generation (Kanniainen & Poutvaara, 2007).

Women-owned firms tend to show a different organizational structure than men-owned businesses, to be precise a flatter design, communication and team orientation (Gundry & Welsch, 2001). Furthermore, two different business models have been identified. The first model, designated "River of Time", was developed by Powell & Mainiero (1992) and states that two dimensions of concern for female entrepreneurs are family and personal relationships. The second model, the "Integrated Perspective Model", stresses the influence of both relationships (Brush, 1992). Additionally, according to Hopkins & Bilimoria (2004), female entrepreneurs project their own values and a sense of fairness to tackle workplace troubles, particularly in financial decisions.

Concerning leadership styles, female entrepreneurs engage in more transformational behaviour patterns, establishing exchange relationships between the leader and the subordinate by rewarding desirable behaviour and punishing undesirable behaviour (Eagly, 2007).

Research objectives

The main purpose of the present paper is to conduct a qualitative study exploring and understanding the practice of female entrepreneurship in Portugal in order to be able to generate hypotheses that can be further tested quantitatively.

Specific objectives consisted in gaining insight into the following different aspects of owning a business: reasons for starting a business; awareness of entrepreneurial skills; easiness of the decision-making process to start the business; influence and support of others; sources for business ideas; barriers found throughout the process; benefits from owning a company; disadvantages from owning a company; work-life balance; leadership style; personal lessons learned; reasons for ending business; advice for other entrepreneurial women.

Methodology

The used methodology consisted in the group depth interview (focus group interview).

The focus group research method is sometimes referred to as a focus group interview, a group interview, or a group depth interview (Wilkinson, 2004). Generally speaking, it can be said that focus groups are situated somewhere in-between individual interviews (involvement of only one person) and participant observation (involvement of more people/participants) (Conradson, 2005, cited in Liamputtong, 2011). In conceptual terms “focus groups are collective conversations” (Kamberelis & Dimitriadis, 2008: 375, cited in Liamputtong, 2011).

According to Jenny Kitzinger (2005:57), a well-known focus group researcher, this methodological approach to research can be considered to be the “‘ideal’ approach for examining the stories, experiences, points of view, beliefs, needs and concerns of individuals” (see also Lunt & Livingstone, 1996, cited in Liamputtong, 2011, and Eubanks & Abbott, 2003). The issue regarding the number of participants that should constitute a focus group has not obtained consensus among different scholars that have studied the focus group interview from a methodological point of view. Traditionally, focus groups of 8-10 participants were usually used, so that participants were able to give a variety of viewpoints whilst at the same time everyone had a real chance to participate. More recently a high number of researchers are now working with 5-7 person groups (Liamputtong, 2011). According to all the mentioned authors so far a focus group interview should involve a group of 6–8 people. In a more detailed discussion on the use of focus group methodology as a data collection strategy, McLafferty (2004) advises the researcher in his paper entitled “Focus group interviews as data collecting strategy” to use groups with approximately 6-10 participants.

On the other hand we can find studies that use less than 7 participants integrating a focus group. In Eubanks & Abbott’s paper named “How Academics and Practitioners Evaluate

Technical Texts: A Focus Group Study”, that appeared in 2005 in the Journal of Business and Technical Communication, only 4-6 participants per group were used. Nevertheless, in another article published in 2003, the same authors formed groups that had between 4-8 participants. In opposition, Kruger & Casey (2000) and Miriam Bar-Din Kimel (2003) advocate for larger groups: a minimum of 8 and a maximum of 12 participants.

In his recent book “Focus Group Methodology: Principles and Practise, Liamputtong (2011) analyses the relevant state of the art literature on the focus group interview methodology (Barbour, 2007; Bloor, Frankland, Thomas & Robson, 2001; Hennink, 2007; Johnson, 1996; Kitzinger, 1994; Krueger & Casey, 2009; Morgan, 2002; Stewart, Shamdasani & Rook, 2007), arguing that a focus group interview should involve a group of 6–8 people. For the purpose of our research paper Liamputtong’s (2011) directions were followed.

As a sample, 7 Portuguese women entrepreneurs with fairly homogeneous characteristics with respect to the subject of the study were chosen. The number of members integrating the respondent group had the purpose of guaranteeing the maximum interaction among participants and avoiding the dominance of particular members.

A pre-interview of topics was organized (semi-directive interview guide) to allow flexibility and the possibility to discover unexpected responses to this free-flowing group discussion.

Careful screening was undertaken regarding the selection of participants: all group members had adequate experience with the object of study (female entrepreneurship); no member had a former social relationships with another; and no women had already participated in a focus group interview on the subject. Besides the already mentioned selection criteria several more specific qualification requirements were set; the participants of the focus group had to fulfil all of the following requirements:

Table 1.
Sample qualification criteria

Length of existence of company	More than 3 years
Classification of business	Service, retail
Form of organization	Sole proprietorship, partnership
Ownership	More than 50%
Scope of operations	Local, domestic
Obtainment of ownership	Started a new business, purchased an existing business
Position	Corporate Executive Officer

The focus group interview had the duration of 1 hour and was held in a living room environment, and not a conference room, in order not to inhibit participation and to encourage specific members to play the role of an expert (“coffee klatsch” environment). The role of the moderator was assigned to the first author of the present study. Particular attention was given to assuring spontaneity and emotional involvement, considered essential to the production of depth-level responses. The focus group interview was recorded and transcripts of the responses of all participations were prepared in order to submit that *corpus* to a thematic content analysis by using the software MaxQda (version 10).

Results

The sample characteristics were as follows: all 7 women participating in the focus group interview had firms operating only on a local scope. Three of them founded companies in the retail business; the remaining ones were services. Five women entrepreneurs had sole proprietorship over the firm and the two remaining ones a partnership (the first one with a friend that owns 40% of the business and the second one with her husband that owns 10%).

Table 2.
Identification of variables and catégories

Variable	Categories	Subcategories	Sub-subcategories
Reason for starting business	Necessity		
	Opportunity		
Entrepreneurial skills	Unconcerned		
	Concerned	<i>Professional evaluation</i>	<i>Self-administration questionnaires</i>
		<i>Personal evaluation</i>	<i>Reference groups*</i> <i>Own evaluation</i>
Major barriers	External barriers	<i>Legal barriers</i>	
	Professional barriers	<i>Lack of money</i> <i>Lack of business competencies</i> <i>Lack of experience</i>	
		<i>Lack of self-confidence</i>	
Main benefits	Work related	<i>Not having a boss</i> <i>Early retirement</i> <i>High motivation</i>	
	Personal impact	<i>Freedom from time schedules</i>	
Main disadvantages	Work related	<i>Uncertainty about money inflow</i> <i>High responsibility</i>	
	Personal impact	<i>Lack of time for private life</i>	
Work-life balance	Work related	<i>Better time management</i>	
	Personal life related	<i>Neglect of family</i> <i>Neglect of parental role</i>	
Leadership style	Result oriented	<i>Entrepreneurial leadership</i> <i>Responsibility</i>	
	People oriented	<i>Teamwork</i>	
Personal lessons	Gain of competencies	<i>Self-confidence</i> <i>Learning from mistakes</i>	
	Self-actualization	<i>Fulfilment</i>	
Reasons for closing business	Retirement	<i>Passing business on to children</i> <i>Desired wealth obtained</i>	
	Professional reasons	<i>Other work opportunity</i> <i>Financial difficulties</i>	
	Personal reasons	<i>Difficulty in managing work-life balance</i>	
Advice for women entrepreneurs	Do not open a business	<i>Too stressful</i> <i>Bad work-life balance</i> <i>Financial uncertainty</i>	
	Open a business	<i>Take the risk</i> <i>Support of other women entrepreneurs</i>	
	Gain	<i>Fulfilment</i> <i>Experience</i> <i>Own boss</i>	

*Reference groups: family and friends

The sample was further characterized on hand of the following variables: age, number of children, marital status, academic qualification, former occupation and actual venture core business. The 7 participants were aged 24-47 (on average 36 years old); except for one participant all had children (2 on average) and all were graduated.

There seemed to be a strong association between the former occupation of participants and the core of the new venture business. The family cycle in which the participant finds herself may have some influence on the importance of being supported / motivated by family/children.

The following table summarizes the main findings of the study as a result of the thematic content analysis. The analysis of the responses given by these 7 female entrepreneurs revealed the existence of several categories, sub-categories and sub subcategories for each variable. Each of these themes was named in the following table. A quantitative research instrument can be constructed by integrating them into a questionnaire. The categorization of the obtained answers was used to generate formal hypotheses and to develop a more precise insight into the research problems.

Table 3.
Formulation of research hypothèses

H1: There is a positive correlation between the former occupation of participants and the new venture core business.
H2: Female entrepreneurs with children are motivated by other values than female entrepreneurs without children.
H3: More female entrepreneurs start their business out of a necessity rather than an opportunity, as opposed to male entrepreneurs.
H4: Women-entrepreneurs rank diverse types of barriers differently than male-entrepreneurs.
H5: Female entrepreneurs find it more difficult to work out their work-life balance than women that work for others.
H6: Female entrepreneurs feel less self-confident than their male counterparts.
H7: Female entrepreneurs tend to choose a transformational leadership style over a transactional one.

Conclusion

The authors consider that this particular research type and design revealed itself to be useful for gaining background information on the topic of female entrepreneurship in Portugal. The focus group approach revealed to be a flexible research instrument in addressing research questions of all types (what, why, how). A list of categories, subcategories and sub subcategories was presented based on the answers of the participants, providing a list of variables that can be integrated into a quantitative analysis allowing for the testing of the presented hypotheses and a more precise definition of the research problem and phenomena under study.

Limitations

Several limitations to the study can be identified. Even though the synergism between participants was accomplished producing a wide range of information, insight and ideas, situations in which comments of one individual triggered a chain of responses by others (snowball effect) were scarce. One participant out of the sample of 7 compromised his responses for personal gain, interpreting the focus group interview as a networking

situation with other women entrepreneurs. Furthermore, due to the used methodology, the sample is not representative.

Further research

The evidence that was found in this study provides further understanding and insight on the practise of female entrepreneurship. Using the obtained variables and categories a questionnaire can be constructed and applied to a representative sample. In order to validate all scales Cronbach's alpha needs to be calculated after implementing it and the factor analysis applied to reduce the number of variables. Several research hypotheses can be generated and tested quantitatively, namely whether there is a significant difference between female and male entrepreneurs or if there is a significant difference for all variables between women entrepreneurs belonging to different cultures. Certainly the major challenge in this study field consists in identifying specific profiles for female entrepreneurs.

BIBLIOGRAPHY

- ABBOTT, C. , & EUBANKS, P. (2005). :*How Academics and Practitioners Evaluate Technical Texts: A Focus Group, Study. Journal of Business and Technical Communication*, 19 (2) , 171-218.
- ALLEN, E., ELAM, A., LANGOWITZ, N., & DEAN, M. (2008) : *2007 Report on Women and Entrepreneurship*. GEM Global Entrepreneurship Monitor.
- AMINE, L., & STRAUB, K. (2009) : *Women entrepreneurs in Sub-Saharan Africa: An institutional theory analysis from a social marketing point of view*. *Entrepreneurship and Regional Development*, 21(2), 183–211.
- ANDERSSON, P. (2006) : *Determinants of exits from self-employment. (unpublished Doctoral Dissertation)*. Swedish Institute for Social Research, Stockholm University, Sweden.
- BARBOUR, R. (2007) : *Doing focus groups*. London: Sage.
- BLOOR, M., FRANKLAND, J., THOMAS, M., & ROBSON, K. (2001) : *Focus groups in social research*. Thousand Oaks, CA: Sage.
- BRUSH, C. (1992) : *Research on women business owners: Past trends, a new perspective and future directions*. *Entrepreneurship Theory and Practice*, 16(4), 5–31.
- BRUSH, C., CARTER, N., GATEWOOD, E., GREENE, P., & HART, M. (2006) : *Women's Entrepreneurship in the United States. Growth-Oriented Women Entrepreneurs and Their Businesses*. Cheltenham, UK: Edward Elgar.
- CALÁS, M., SMIRCICH, M., & BOURNE, K. (2007) : *Knowing Lisa? Feminist Analysis of Gender and Entrepreneurship*, In D. Bilimoria and S. Pederit (Eds.) *Handbook of Women in Business and Management*. Celtenham, UK: Edward Elgar, 78-105.
- DE BRUIN, A., BRUSH, C., & WELTER, F. (2006) : *Introduction to the special Issue: Towards building cumulative knowledge on women's entrepreneurship*. *Entrepreneurship Theory and Practice*, 30(5), 585–593.

- EAGLY, A. (2007) : *Leadership Style Matters: the Small, but Important, Style Differences between Male and Female Leaders*. In D. Bilimoria and S. Pederit (Eds.), *Handbook of Women in Business and Management*, Cелtenham, UK: Edward Elgar, 279-303.
- ECKEL, C., & GROSSMANN, P. (2008). : *Sex and Risk: Experimental Evidence*. In C. Plott and V. Smith (Eds.). *Handbook of Experimental Economics Results*. Elsevier Science, Amsterdam. The Netherlands: Elsevier Science B.V./North-Holland.
- ESTRIN, S., & MICKIEWICZ, T. (2009) : Do Institutions Have a Greater Effect on Female Entrepreneurs? IZA Discussion Paper No. 4577.
- EUBANKS, P., & ABBOTT, C. (2003) : *Using Focus Groups to Supplement the Assessment of Technical Communication Texts, Programs, and Courses*. *Technical Communication Quarterly* 12(1), 25-45.
- FAIRLIE, R., & ROBB, A. (2009) : *Gender differences in business performance: Evidence from the characteristics of business owners' survey*. *Small Business Economics* 33(4), 375.
- GOEDHUYS, M., & SLEUWAEGER, L. (2000) : *Entrepreneurship and growth of entrepreneurial firms in Côte D'Ivoire*. *Journal of Development Studies*, 36(3), 122-145.
- GREENE, P., BRUSH, C., & GATEWOOD, E. (2007) : *Perspectives on women entrepreneurs: Past findings and new directions*. In M. Minniti (Ed.) *Entrepreneurship: The Engine of Growth*, Vol. 1. – Perspective Series. Westport, CT, USA and London, UK: Praeger Publisher – Greenwood Publishing Group.
- GRIES, T., & NAUDÉ, W. (2010) : *Entrepreneurship and Structural Economic Transformation*. *Small Business Economics Journal*, 34 (1), 13-29.
- HENNINK, M. (2007). *International focus group research: A handbook for the health and social sciences*. Cambridge University Press: Cambridge.
- HOPKINS, M., & BILIMORIA, D. (2004) : *Care and justice orientations in workplace ethical dilemmas of women business owners*. *Group & Organization Management*, 29(4), 495-516.
- HORRELL, S., & KRISHNAN, P. (2007) : *Poverty and productivity in female-headed households in Zimbabwe*. *Journal of Development Studies* 43(8), 1351-1380.
- JUSTO, R., & DETIENNE, D. (2008) : *Gender, Family Situation and the Exit Event: Reassessing the Opportunity-Cost of Business Ownership*. Madrid. IE Business School Working Paper WP08-26.
- KANNIAINEN, V., & POUTVAARA, P. (2007) : *Imperfect transmission of tacit knowledge and other barriers to entrepreneurship*. *Comparative Labor Law and Policy Journal*, 28, 675-693.
- KEVANE, M., & WYDICK, B. (2001) : *Microenterprise Lending to Female Entrepreneurs: Sacrificing Economic Growth for Poverty Alleviation?* *World Development*, 29(7), 1225-1236.
- KIMEL, M. (2003) : Presentation prepared for *The FDA Drug Safety & Risk Management Advisory Committee Meeting*, December 4, 2003. Gaithersburg, Maryland
- KITZINGER, J. (1994) : *The methodology of focus groups: The importance of interaction between research participants*. *Sociology of Health and Illness* 16 (1), 103-121.

- KLAPPER, L., & PARKER, S. (2010) : *Gender and the Business Environment for New Firm Creation*. (O. U. Press, Ed.) The World Bank Research Observer, 1–21.
- KOELLINGER, P., MINNITI, M., & SCHADE, C. (2009) : *Overconfidence, Gender, and Entrepreneurship*, Mimeo.
- KRUEGER, R., & CASEY, M. (2009) : *Focus groups: A practical guide for applied research*, 4th edition. Thousand Oaks, CA: Sage.
- KRUEGER, R., & CASEY, M. (2000) : *Focus groups: A Practical Guide for Applied Research* (3rd edition.). Thousand Oaks, Calif.: Sage.
- LANGOWITZ, N., & MINNITI, M. (2007). : *The entrepreneurial propensity of women*. Entrepreneurship Theory and Practice, 31(3), 341–365.
- LIAMPUTTONG (2011) : *Focus Group Methodology: Principle and Practise*. London: Sage.
- LIAMPUTTONG (2011) : *Focus Group Methodology: Principle and Practise*. London: Sage.
- LICHT, A. (2007) : *The entrepreneurial spirit and what the law can do about it*. Comparative Labor Law and Policy Journal, 28, 817–862.
- MALONEY, W. (2004) : *Informality revisited*. World Development, 32(7), 1159–1178.
- MASTERS, R., & MEIER, R. (1988) : *Sex differences and risk-taking propensity of entrepreneurs*. Journal of Small Business Management, 26 (1), 31–35.
- MCLAFFERTY, I. (2004) : *Focus group interviews as data collecting strategy*. Journal of Advanced Nursing, 48, 187-94.
- MENZIES, T., DIOCHON, M., & GASSE, Y. (2004): *Examining venture-related myths concerning women entrepreneurs*. Journal of Developmental Entrepreneurship, 9 (2), 89-108.
- MINNITI, M. (2008): *The role of government policy on entrepreneurial activity: Productive, unproductive, or destructive?* Entrepreneurship Theory and Practice, 32 (5), 779–790.
- MINNITI, M., & NAUDÉ, W. (2010): *What Do We Know About The Patterns and Determinants of Female Entrepreneurship Across Countries?* European Journal of Development Research, 22, 277-293.
- MORGAN, D.L. (2002) : *Focus group interviewing*. In J.F. Gubrium & J.A. Holstein (Eds.), *Handbook of interviewing research: Context & method* (141–159). Thousand Oaks, CA: Sage.
- NAUDÉ, W., & ROSSOUW, S. (2010) : *Early international entrepreneurship in China: Extent and determinants*. Journal of International Entrepreneurship, 8 (1), 87–111.
- NICHTER, S., & GOLDMARK, L. (2009) : *Small firm growth in developing countries*. World Development, 37 (9), 1453–1464.
- POWELL, G., & MAINIERO, L. (1992) : *Cross currents in the river of time: Conceptualizing the complexities of women's careers*. Journal of Management, 18, 215-237

REYNOLDS, P. (1993) : *The role of entrepreneurship in economic systems: Developed market and post-socialist economies*. Paper presented at the Second Freiberg Symposium on Economics; 9–11 September, Freiberg.

RICHTERMEYER, G. (2003) : *Emerging Themes in Entrepreneurship Research*, Business Research & Information Development Group (BRIDG), University of Missouri Outreach and Extension Development Fund.

STEWART, D., SHAMDASANI, P., & ROOK, D. (2007) : *Focus groups: Theory and practice*, 2nd edition. Thousand Oaks, CA: Sage.

YUEH, L. (2009) : *China's entrepreneurs*. World Development, 37 (4), 778–786.

ABSTRACT

According to a study made by the European Commission in 2005, Portugal is the country in Europe with the highest rate of population wanting to be financially independent (62%), even higher than the United States (61%), being the average figure regarding the EU Member States only 45%. The advantages of entrepreneurship are multiple: the creation of new companies as a motor for economic growth and development, the formation of new jobs as a way of fighting unemployment, and the potential raise in a country's competitiveness in the local, national and global markets. In recent years the rate of foundation of female companies grew significantly in developed and developing countries. Nevertheless, few academic studies focusing on subjects like the profiling of female entrepreneurship and the identification of business values and models exist. The present research aims at conducting a qualitative study exploring and understanding the practice of female entrepreneurship in order to generate hypotheses that can be further tested quantitatively. A focus group interview was carried out with 7 Portuguese women entrepreneurs and the responses were transcribed in order to be analyzed through a thematic content analysis.