GETTING STARTED: RESEARCH CHALLENGES

It presents a significant research challenge to determine how to differentiate outcomes that are legitimately gender-related from challenges that confront all groups of entrepreneurs. This challenge is made more difficult by the suspected links, direct and indirect, of gender effects to organizational performance. Therefore, one task is to determine how best to disentangle gender influences on aspects of business ownership from other factors.

Two examples are presented to illustrate this problem.

1. Many Canadian women business owners perceive that access to capital and terms of lending are a significant barrier to enterprise growth. Many also suggest that banks discriminate based on the gender of the firm's owner. What is often not recognized is that many male business owners have similar concerns with respect to access to capital and terms of lending. Therefore, to investigate the extent to which women may be disadvantaged relative to men, it is essential to undertake direct comparisons of women-owned firms with those owned by men. This raises a second challenge in that women-owned firms systemically differ from those owned by men. Women-owned firms are, on average, younger and smaller than firms owned by men. Women-owned enterprises and self-employed women are also concentrated in retail and other service sectors, sectors where collateral is generally less available. Early research did not control for these factors and reported, not surprisingly, that access to, and terms of lending differ by gender. However, were these differences because of gender or because women-owned firms were smaller, younger, and in different sectors? More recent research attempts to separate out potential gender effects from confounding factors and yields a very different result. Without controlling *simultaneously* for owner and firm attributes (criteria often imbedded in credit scoring models), it is facile and misleading to surmise that women have less access to, and receive more expensive, debt capital.

2. It has also been observed that women-owned businesses are significantly less likely to export than firms owned by men. As noted in the previous paragraph, women-owned firms are significantly smaller and more likely to operate in the services sectors. Yet, even after controlling for firm size and sector (firm attributes consistently associated with export propensity as well as with other firm and owner attributes) women-owned firms remain significantly less likely to trade in international markets (Orser, Spence and Carrington, 2007). Thus, those who attribute lower export propensity of women-owned firms to size or sector effects may be overlooking other significant barriers to exporting. As such, export stimulation programs and policies may fail to realize fully the potential of women-owned firms.