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Business professor wants to change the conversation around underperforming female entrepreneurs

Edmonton – While Dr. Albena Pergelova, an associate professor in MacEwan University’s School of Business, was on maternity leave, she found an inspiration for a new thread in her research on entrepreneurship.

“When you have a child you start to think about things in a different light and I found myself reflecting on how motherhood impacts life and work,” said Pergelova. “It made me think about women who are entrepreneurs and how they deal with multiple demands.” Pergelova began looking through the literature and discovered a theme called Female Underperformance Hypothesis that claims businesses run by women tend to be smaller and less profitable.

“Part of the literature was saying that special programs should be put in place so female entrepreneurs could increase the growth and profit of their businesses, but another part said that if you look beyond profits, these businesses are doing just fine,” explained Pergelova. So she decided to do some research using a broader set of indicators and focusing on the retail industry where a large number of female-led enterprises tend to concentrate. Pergelova found that female entrepreneurs are generally better at using their intangible marketing capabilities, skills like relationship building, to create a competitive advantage.

“Of course money matters, but it’s not the only thing that matters,” added Pergelova. “Perhaps these entrepreneurs were interested in different outcomes, things like the impact they are having and the relationships they enjoy with their clients.” The research is also about trying to change the conversation within the field of entrepreneurship, where the literature has traditionally focused on the economic value that entrepreneurs create. This view says Pergelova has been challenged by some academics in favor of another that sees entrepreneurs as individuals whose activities bring change not only in terms of economics, but also socially, culturally and institutionally.

“Figures show the bottom line, but they don’t necessarily tell the whole story,” says Pergelova. “We need to consider how we look at businesses and what we expect from them, and if the entrepreneur is happy with what they are achieving, who’s to say that they are underperforming.”

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