Defining the Ideal Entrepreneur

Entrepreneurs on the gender skills gap and what it takes to succeed

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Report prepared for Ontario Ministry of Labour’s Pay Equity Office Gender Wage Gap Program
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Researcher Biography

Phillipa K. Chong is a cultural sociologist who specializes in how we define and evaluate worth. This includes the value we assign to social objects (e.g., books, paintings, knowledge, opinions, etc.) and social groups (e.g., experts, artists, minorities, etc.). Her empirical focus has been on how workers cope in highly uncertain and non-routine forms of labor, including freelance book reviewing and entrepreneurship.

Phillipa has written about some of these issues in her book, *Inside the Critics' Circle: Book Reviewing in Uncertain Times*, forthcoming with Princeton University Press. She currently works as an Assistant Professor in Sociology at McMaster University. Before taking up her current post, she earned her PhD in Sociology from the University of Toronto and was a postdoctoral fellow in the Department of Sociology at Harvard University.

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Executive Summary

The central purpose of this study is to examine gender inequality, and specifically, challenges related to compensation or pay equity in Ontario’s changing workplaces. The specific objective of the study was to produce an empirical portrait of the skills valued within Ontario’s emerging entrepreneurial economy, including how such skills and standards may be understood differently among traditionally marginalized workers, such as women. This was accomplished through 60 in-depth interviews with self-identified entrepreneurs in the Hamilton and Toronto regions about the skills they value and their understandings of how gender informs individuals’ experiences as entrepreneurs.

Summary of Findings

Q1. How Do People Define the Skills of the Ideal Entrepreneur? What Skills Are Seen as Important or Tangential for Entrepreneurial Success?

- The skills identified as most important for success included leadership skill, entrepreneurial skills, and creativity and problem-solving. These were understood as skills that one was either born with, or learned through early socialization experiences.

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- The skills identified as least important for entrepreneurs were artistic skills, research and writing skills, and broad knowledge and education. These skills were understood as acquired through formal education, and were easily outsourceable.

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Q2. How Might Gender Inform How Individuals Experience and Understand Entrepreneurship?

- Most respondents agreed that gender does affect individuals’ experiences as entrepreneurs.
- Respondents suggested that women face additional barriers include a lack of specific skills (e.g., confidence and assertiveness) due to deeply ingrained socialization experiences or, to a lesser degree, what they viewed as innate differences between the sexes.

Women are not necessarily seen as lacking in important entrepreneurial skills. However, they are viewed as lacking trigger qualities: aptitudes that help to activate or fully realize the skills identified as crucial for entrepreneurial success. Hence, women’s entrepreneurial value invites questioning, even though the ideal of what it takes to be a successful entrepreneur is itself viewed as gender-neutral.

**Entrepreneurial Skill Realization Model**

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“Natural” entrepreneurial Skills
(e.g., leadership, creativity)

Trigger Qualities
(e.g., confidence, assertiveness)

Entrepreneurial Efficacy
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Men and women perceived to possess these equally

Women perceived as lacking trigger qualities

Skepticism about women’s ability as entrepreneurs

How does the model help us understand pay equity challenges more generally? And what can we do about it? In order to understand pay equity dynamics, we must understand what we are paying for, and what skills are valued. The following recommendations build on this principle, and are intended for individuals who are seeking to improve compensation practices in highly non-routinized work settings, such as entrepreneurial activities.
Recommendations

1. **Employers: get clear about what you’re looking for.** Many of the skills that are valued are ambiguously defined in terms of what they are, and what they do (e.g., creativity). Even so, this does not mean that these qualities are completely idiosyncratic. Reports such as this one should be circulated to enable individuals who struggle to define target skills to express them in clear, commonly understood terms.

2. **Employers: ask questions, then listen.** The types of skills that are most valued are non-certifiable – meaning that they are not easily measured or observed by way of certificates, CVs, etc. When firms are evaluating candidates’ qualifications or performance, they should ask them to tell stories from their lives showing how and when they displayed specific qualities in the workplace. This allows employers to assess performance more directly, rather than making potentially incorrect inferences from other metrics (e.g., sales, hours, etc.).

3. **Less mentoring, more doing.** We need more opportunities for women and other marginalized groups to try and fail. Experiential learning is highly valued by entrepreneurs – even more so than formal learning. Hence, infrastructure or seed grants should be given to women on the basis that simply doing – and failing – is itself a form of training and a valued endpoint in itself, rather than seeing failure as simply absence of success. It is these hands-on experiences that are valued in the entrepreneurial field. Mentoring is a great source of support for entrepreneurs, but advice without the chance to practice is just talk.

4. **Community-building can include backtalk.** There are a growing number of women-focused entrepreneurial groups in Hamilton and Toronto. While these networks are doing important work by providing support, information, and even commercial opportunities for women entrepreneurs, another valuable service would be towards modeling and practicing a concrete business-related skill (i.e., skill translation), and then receiving concrete feedback from others who act as surrogates for vendors, peers, or clients.

5. **New kid on the block? Practice skill translation.** Entrepreneurs who struggle with having their skills recognized and valued should consult reports like this one, and reflect on how they can translate more of their life experiences into the language of valuable skills. For example, leadership isn’t just practiced in business with clients. It can be demonstrated in the home with family, within a religious community, and elsewhere. Many women and members of other marginalized communities may still not be fully included in entrepreneurial circles. If they can translate experiences from other domains of life into the valued language of entrepreneurial skillsets, they will still be able to demonstrate entrepreneurial capacities.
Overview of the Study

The central objective of this study is to reach an empirically grounded understanding of what skills and competencies are valued, and consequently rewarded, among those who engage in entrepreneurship (broadly defined). This is a first step towards a more nuanced understanding of how to design and implement effective policies for addressing pay equity.

The informal organization of entrepreneurship presents unique challenges for conceptualizing pay equity. Definitions of skills and work responsibilities are not always clearly demarcated, and many people are self-employed. Therefore, this study used in-depth interviews with women entrepreneurs to understand how they define the “ideal” entrepreneur. I argue that this ideal is a key cultural determinant of the unequal reward structure in the entrepreneurial economy.

A total of 60 in-depth interviews were conducted with self-identified entrepreneurs in the Hamilton and Toronto region to get an understanding of how they construct skill and competency in the entrepreneurial market. Women were purposely oversampled to ensure that their experiences were adequately captured (see Figure 1).

One of the challenges of studying start-ups and microenterprises in the new economy is deciding how to systematically select a sample, given that the creative industries are themselves highly multidimensional and broadly defined. I solved this problem by seeking out participants at local coworking spaces. The term “coworking space” denotes shared open-concept work environments wherein “community members” – often entrepreneurs and workers in the creative economy – pay rent for access to shared desks, conference rooms, and other office amenities to conduct their professional activities. More specifically, entrepreneurs are often drawn to these spaces, since they represent a cost-effective alternative to traditional office spaces for freelancers and new start-ups.
struggling to reduce overhead. Moreover, coworking zones are consciously fashioned around ideals of innovation and collaboration, wherein creative entrepreneurs can meet likeminded people, share resources, and generate business opportunities¹.

**The Interviews**

During the interviews, respondents were asked about their entry into entrepreneurial activities, their entrepreneurial activities, and what they thought they needed in order to be successful as an entrepreneur. The benefit of using interview methods is that it allows participants to describe their self-understandings and experiences in their own words. Furthermore, interviews tap into multiple types of cultural data, including motivations, practice, and beliefs².

The source data for this report consist of interviewees’ responses concerning the different qualities that are needed to succeed as an entrepreneur. These are summarized in Part 1 of the empirical findings. Respondents were presented with a list of 15 general work skills and asked to rank them in order of importance (1 = most important... 15 = least important) for success as an entrepreneur. They were then asked several questions about those skills they ranked high or low. These included what meaning they ascribed to the skill described (e.g., “What are leadership skills?”), why they had ranked a given quality as important or not important, what qualities it encompassed and whether they possessed them, how the skill was acquired, and instances when they had practiced the skill. These responses were key to compiling a portrait of the skills valued as part of the image of the ideal entrepreneur.

Respondents were also asked about whether or not they believed that there were differences in the experiences and expectations of men and women when deploying these skills and qualities – or being evaluated for them. I also asked whether they had personal experiences of being treated differently because of their self-identified gender. These data are reported in Part 2.

**Data Analysis**

The analytical strategy was twofold. The first step involved making sense of the specifics of the empirical data to create a portrait of the ideal entrepreneur. I analyzed the data to determine which skills were most frequently ranked as among the top three most important, and the three most frequently ranked as least important. The interview data pertaining to these was then systematically analyzed to identify themes in how respondents defined, valued/devalued, and acquired these skills. Based on these analyses, I then drew up a generic profile of the ‘ideal entrepreneur.”

The second step involved merging the “ideal entrepreneur” data with data concerning men and women’s differing experiences in entrepreneurial activities. This second set of data was analyzed to identify themes in terms of the degree to which respondents believed that gender did matter in

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entrepreneurship; specific experiences that had given individuals this impression; and the various explanations they provided for why this occurred. Systematically comparing insights from the two sets of data clearly showed how the qualities of the ideal entrepreneur are fundamentally inconsistent with the qualities attributed to women – and thus why women’s value as entrepreneurs may be under-appreciated.

In the conclusion, I offer some recommendations about how to proactively short-circuit the cultural process by which women’s entrepreneurial capability is questioned and devalued. I also identify some practices that can help entrepreneurs better capitalize on their present efforts and skillsets.
Findings

Part 1: How Do We See the Ideal Entrepreneur?

What skills and qualities do people identify as part of the ideal entrepreneur? I approach this question from two vantage points. First, I ask what are the most important skills; and then obtain a contrasting view by asking about the least important qualities.

Below, I present an analytical summary of the key findings for both sets of skills, followed by a more detailed exposition on the content of each skill in respondents’ own words.

THE TOP SKILLS FOR ENTREPRENEURIAL SUCCESS

Table 1: The Top Three Most Important Skills

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Takeaways

1. The top skills are valued because they enable individuals to cope with the organizational realities of self-employment. Specifically, being self-employed often means working alone and absorbing any financial risk; hence, it makes sense then that being able to lead oneself or cope with risk are identified as important skills.

2. Additionally, these skills are important because they facilitate action. Creativity is not just having ideas, but acting on them too. You must be both a thinker and a doer, and provide
creative answers to real-world problems. Similarly, leadership is only valuable insofar as it motivates the entrepreneur to get things done, or motivate others to follow their plan.

3. Finally, these skills are not learned in books, but gained through innate ability and/or early socialization. In other words, these are “natural” talents.

THE TOP SKILLS IN DETAIL

Leadership

Leadership was most frequently ranked among the most important skills for entrepreneurs to possess. Here, respondents meant the capacity to motivate the self and others.

Motivating Self: Many interviewees emphasized that leadership demanded the initiative to get things done and lead oneself. This is particularly important in an entrepreneurial context, because there is no “road map” and people are mostly operating on their own terms.

Motivating Others: This had a very specific meaning for respondents: the ability to inspire others, build their capacity, or get them to do something and believe in what you are doing. It is about getting people to feel a particular way and want to follow you – especially in relation to service provision or consultancy, where it relates more specifically to clients.

Entrepreneurial work is independent and competitive

Many entrepreneurs are not only their own boss, but also their only employee. For such solopreneurs, being able to motivate and manage themselves to get things done was an essential building block to success, given the autonomy inherent to self-employment.

“I think leadership [is important] because you have to be so self-motivated, there is nobody telling you what to do. It’s like you are the leader; you are deciding everything. And you’ve got to convince other people to follow you. If you don’t have that, like that’s, the main thing, I think.”
Additionally, because so many entrepreneurs were involved in client-service relations, being able to motivate clients to accept their expertise and services was also crucial for success in a competitive market environment.

“[E]ven from your customers’ perspective: customers are looking for leaders; they want people to lead them. So, an entrepreneur has to be a leader because you’re not just leading your team, you are leading your customers... when people come to you, they have just got that feeling that, “Yeah you know what is going on.” So yeah, leadership is I think number one.”

How can you develop leadership?

Respondents were equally likely to suggest that leadership ability was either something you are born with, or something you can learn (albeit through a very specific route).

Among people who felt that leadership was innate, some expressed that they simply found that people naturally gravitated towards them for guidance without them making an explicit effort to assume such authority. Others felt that some people are simply born with leadership qualities.

“It’s like some people are born leaders, and some people are born to be led. Some people can make the difficult decisions and other people can’t. It’s like being in a crisis situation, for example. There are some people that are going to be in the background panicking and shaking.”

Respondents who felt that leadership skills could be learned suggested that this could be achieved not through any formal curriculum but rather through social learning, which involves observation and imitation of others. Some people mentioned the value of seeking out mentors who exhibit leadership qualities to learn from, and then trying to build and enact those qualities through practical experiences.

“I think that’s the best way to learn really, is by example. You know, like seeing people do it, finding a mentor who exhibits those qualities that you want in a leader and yeah – and just – and trying – trying to do it, finding opportunities to do what your mentors do”.

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Entrepreneurship

Entrepreneurial skill was also frequently identified as important for entrepreneurs to possess. It seems rather self-evident that an entrepreneur would need entrepreneurial skills. But what exactly is the substance of this skill set? Respondents conceptualized entrepreneurial skills as consisting of distinct *practical* and *attitudinal* components.

**Entrepreneurial Attitude**
Crucial to entrepreneurship was the ability to tolerate – and even be open to – risk and uncertainty. It was understood that taking on entrepreneurial work involved more risk to individuals than taking a traditional job, since it is the entrepreneur themselves who must absorb all the potential losses. And in this context, openness to risk and uncertainty is understood as being maintained by a strong sense of self-belief.

“**You have to take a bit more risk than the normal person would. You have to have a certain level of drive behind you to get up and do your own thing every day. You’ve got to hustle, you’ve got to try hard, you have to try and make all the right moves.”**

“**You have to have some balls. You do have to believe in yourself and think you are going to make a go of it. I’ve had a couple of moments where I really thought, ‘What the hell am I doing?’ But other than that, I really have to be determined.”**

**Entrepreneurial Practice**
A requirement of entrepreneurial work was the ability to do many different things at once. The entrepreneur works by themselves and must be able to handle many aspects of the business, which might otherwise be assigned to different team members or departments in a traditional organization. Additionally, being able to recognize an opportunity and “make something from nothing” was also identified as a key part of entrepreneurial practice.

**Why is it important?**
Respondents’ various definitions and characterizations of entrepreneurial skill coalesce around the ability to *actuate or realize a plan in a context of high uncertainty*. How the attitudinal and practical elements of entrepreneurial skill facilitate action is explicated in Figure 2 below.
Figure 2: The Link Between Entrepreneurial Attitude, Practice, and Successful Action

Figure 2 illustrates that in response to the uncertainty of entrepreneurship, you must be able to cope with and embrace uncertainty (i.e., the attitudinal component). Then, within that maelstrom of uncertainty, you must also be able to recognize the opportunity and act (i.e., the practice component).

How can you develop these skills?
Some believed that the attitudinal and practical components of entrepreneurial skill are innate. In other words, they saw their ability to tolerate risk and recognize opportunity as just a natural part of who they were.

“I think there’s a certain personality that is okay with launching out on your own. And I think you have to have those innate qualities.”

Others similarly felt that their competency in entrepreneurial skills was very much a part of them as individuals, yet also that stemmed specifically from early-socialization experiences. Specifically, they pointed to families who modeled an entrepreneurial lifestyle.

“Well, with [my family] running their own businesses, it [entrepreneurialism] was sort of almost an obvious choice for them. I never saw my parents, neither of my parents ever worked in an office. So, it just always seemed like the natural thing to do is to start your own thing.”

A minority of people mentioned that you could learn about business basics through formal courses and business programs; however, this did not mean you would necessarily enjoy, or excel in, an
entrepreneurial practice. Instead, the true value of any such programs would be through their capacity to give people opportunities to practice specific competencies such as money management and decision-making in real-world settings.

“You can teach entrepreneurial [skills] so that people know what to do. And you can teach them by giving them space to start a small company, so it’s like you are teaching it, this is how you do [the] cash-flow parts of it, okay. And then you let them do that, and then when it’s your money, you learn faster, but there’s all sorts of bits of entrepreneurship that you can teach. All sorts of how to manage your risk. Decide between ideas. You can teach lots of things and then you learn it when you have to put it into practice a bit more thoroughly.”

**Creativity and Problem-Solving**

The number-three skillset that entrepreneurs identified as important was creativity and problem-solving. They mainly defined it in terms of coming up with novel ideas in an unconventional way, as well as being able to solve problems quickly as they arose.

**Thinking outside the box:** This is about going beyond regular ways to solve an issue, rather than providing rote solutions. Because clients’ needs are so specific, entrepreneurs emphasized the importance of creativity in terms of being sensitive to clients’ specific needs and coming up with bespoke or tailored solutions.

“[Y]ou have to think outside the box with my [clients] . . . You can’t put their [needs] in a box and so, because you can’t do that, you have to think of creative ways to look at situations. [...] I think that it’s very important that you are able to look at a situation and think, ‘What the hell is going on here, and how can we find a solution?’”

**Thinking on your feet:** This referred to quick thinking, which was important because entrepreneurs encounter such a *variety* of problems.
Why is it important?

Unsurprisingly, creativity was understood as important because it was the key to solving various business issues. It is important because of the reality of entrepreneurs’ daily functioning.

First is the reality of depending on clients for business. Creativity enables entrepreneurs to:

**Fulfill client needs:** Entrepreneurs explained that their clients are coming to them with a very specific problem, and it is their job to provide a solution. Being creative is what enables you to come up with a variety of ways to solve a given problem.

**Stand out among competitors:** Creativity in terms of services or personal branding was a way to stand out from competitors – and, relatedly, to grow the client base. You need to continually think of new ways to attract customers.

Secondly, creativity helped people to meet the highly variable reality of entrepreneurship. Many interviewees emphasized that, as entrepreneurs, they faced an ever-changing array of problems every day, and there were always surprises. The day-to-day life of the entrepreneur is inherently non-routine.

“How many different things happen in the day-to-day operations of a business, like it’s not kind of dry. So, I think sometimes you have to think on your feet and think creatively.”

How can you develop these skills?

How do people acquire this vital skillset? There was a strong tendency among respondents to suggest that creativity and problem-solving could not be taught or learned. Instead, most people emphasized
that it was a skill set that some people are simply born with – and that many of the entrepreneurs I interviewed felt lucky enough to have.

INTERVIEWER: And so, have you always had the skill [of creativity and problem solving], or is this something that you have learned?

Respondent 1: I think I have always had that.

***

Respondent 2: I think the creativity piece has always been something that was innate in me.

Many people recalled instances from childhood to explain where this quality came from, or gave evidence of the fact that it was dispositional, rather than just something they learned formally.
THE LEAST IMPORTANT SKILLS FOR ENTEPRENEURIAL SUCCESS

Table 2: The Three Least Important Skills

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Takeaways

1. Entrepreneurs do not value skills gained through formal instruction or education (i.e., coding, research skills, and general knowledge). Specifically, formal education is often contrasted with practical and “real-world” skills.

2. The least important skills are seen as tangential to the core work of entrepreneurship. There is an implied division between core and support activities: skillsets that may be supportive, but do not directly contribute to the core service or success of a business, were devalued.

3. Such support activities are often conceptualized as bring possessed by a separate and abundant workforce that can be easily accessed through outsourcing.
THE LEAST IMPORTANT SKILLS IN DETAIL

Artistic Skills

Artistic skill frequently ranked as the least important quality for being an entrepreneur. While a few people held a classic humanities conception of creativity (e.g., the ability to write a poem or paint a picture), respondents mostly conceptualized creative skills as related to the aesthetics of web design and visual branding.

“I really love art, but it’s completely unrelated to my business... And I would not work with someone that expects me to make things look pretty or anything like that. I don’t do branding, logos, [or] design.”

Why was it devalued?

There was a strong emphasis on artistic skill as chiefly a matter of aesthetic concern. By this, I mean that it was not seen as part of the core of the entrepreneurial business, but more about “window dressing.” This sentiment is captured in the following quote, where art is implicitly about glamour and “looks” rather than substance.

“All these web hosts, where we can make the most glorious website for you. It’s like, how about simplicity... because there is no need for glamour [...] I don’t want to have the best website of them all. I want to have function – that’s it. So it’s like, I think function is more important than artistic technique.”

Of course, respondents did recognize that artistic skill would be of paramount importance for other types of entrepreneurs, such as designers and jewellery makers. But again, this would be because the design element would be at the core of the service they were offering.

How can one acquire these skills?

Despite the common association of artistic skill and creativity, respondents mostly conceptualized artistic skills as a form of technical knowledge. Again, this may be due to the fact that artistic skills are imagined in terms of graphic design and website construction. Many entrepreneurs expressed that they had acquired some of these skills themselves, through formal training or individual
troubleshooting (e.g., consulting guides on how to use design software). However, because design-related software changes so quickly, entrepreneurs did not feel it was a good use of their time to attempt to keep their artistic skills updated.

Instead, graphic and web design as a form of artistic skill was recognized as its own specialty. And there was a sense that there was a large pool of readily accessible freelance designers to whom entrepreneurs could outsource their needs.

“[I]f you don’t have artistic technique, it’s okay, you can just hire someone if there is something that you need artistic technique for, you know.”

“I have no idea how to use Excel, but I can edit you a full TV series. People are like, ‘Oh, you should learn.’ I don’t care to... there’s no way to always keep up with it. That’s where I get my experts [in].”

**Research and Writing**

Research and writing skills were also frequently ranked as unimportant for entrepreneurial success. The types of research and writing viewed as unimportant were those associated with academic learning, which was often contrasted with the sort of research required to solve practical problems in an efficient way. In the following example, traditional forms of research are contrasted with research in the form of crowdsourcing information or solutions, which the respondent utilizes in her business:

“[I]t may not be traditional research, it may be just knowing ‘Oh, I remember I have this contact somewhere who works in this industry. She might, you know, be able to help with this issue that I’m having.’ So, not just, you know, traditional like scientific research, but just kind of being aware that you are connected to this network of resources, and knowing how to leverage those resources in order to achieve your goals and complete your project requirements.”

Similarly, it was also common for people to contrast formal writing with the general communication skills needed to run a business (i.e., the words themselves, rather than the practice of committing them to paper).
Why was it devalued?

Research and writing were seen as highly abstract skills, in contrast to more “practical” or “commonsense” knowledge needed to actually do business. At worst, too much research was compared unfavorably with action, and denigrated as the enemy of getting things done.

“[R]esearch is always great to mitigate your risk, but there are lots of times where we talk about ‘analysis paralysis.’ Some people never start their business because they think of all the ‘what-ifs.’ They think about all of the challenges before they even start it.”

At best, formal writing and research skills were seen as too distant from the core concerns of doing business. One compelling example comes from an entrepreneur who is a blogger, yet still listed writing and research as among the least important skills for her entrepreneurial success:

“Oh, research and clear writing. So that one was… I mean it’s funny, because you would think that I would have more research and writing in a craft blog, [but] my writing skills are not my number-one priority. I am more preoccupied with being creative and making something interesting.”

Here we see the emphasis being not on writing skills per se but that the core of the work is actually about being able to research and provide creative content to meet the interests of her clients (i.e. readers).

How can one acquire these skills?

Writing and research was often associated with formal school learning. While most of the entrepreneurs attended post-secondary education, their position was that when they needed research and writing skills, there would be many people with this training and skillset available for hire.
**Broad Knowledge and Education**

When entrepreneurs listed broad knowledge and education as largely unimportant for entrepreneurial success, what they typically had in mind was, again, the type of credentials one might gain through formal learning at universities or colleges. The knowledge gained from these institutions was often contrasted with the more specific skills needed to generate business solutions.

**Why was it devalued?**

Broad knowledge and education were devalued to the extent that business success was seen as being predicated on being able to offer a distinctive skill set and approach to problem-solving to the market.

“It goes back to the role of business and what I put as number 1: identifying a specific problem that is not being addressed in society and being able to offer a product or service to meets that objective. So having a greater understanding of one niche thing would result in more success than broad surface knowledge of many different things.”

“I think, with the way things are going and with technology and independent entrepreneurs, you really have to specialize in one thing... Because if you try to do everything and be a generalist, then everybody else that specializes is going to be better than you are, making more money.”
Furthermore, few entrepreneurs were operating in fields that required formal accreditation. The few who listed this skill as more important needed it for their professional practice – for example, someone who was starting up a physical therapy clinic.

**How can one acquire these skills?**

There are certainly courses and workshops that teach business-related skills such as financial management. But entrepreneurs saw these as optional, and of limited utility. Instead, they generally identified learning by doing and gaining practical experience as the most useful way to learn skills important for entrepreneurialism:

“There are courses that you can take for what I do… but it’s education [that] I feel isn’t educating. Some people who will want a certificate saying you are an event planner but can’t really work with it.”
Part 2: How is Entrepreneurship Experienced Differently by Men and Women?

Having gained a sense of the skills of the ideal entrepreneur, we now consider how that ideal may be inflected by gender norms, drawing on people’s actual experiences as entrepreneurs, including instances of gender discrimination.

First, we consider how many people perceived a difference in the way men and women experienced entrepreneurial life, or were evaluated as entrepreneurs.

Second, we consider people’s reported experiences with being treated differently in their experiences and capacity as entrepreneurs. Here, the key experience is some variant of “not being taken seriously.”

Finally, we look at how respondents explained these differences – specifically, how differences in skillsets contribute to the contrasting evaluations of male and female entrepreneurs.
Perceptions of difference

The vast majority of entrepreneurs agreed unequivocally that the experiences of male and female entrepreneurs were different. Specifically, they concurred that men and women are treated differently, especially with regards to their abilities and skills as entrepreneurs.

Only a minority said there were no differences between the experiences of men and women engaged in entrepreneurial activities (i.e., “Being a good entrepreneur is gender-neutral” Como0402).

However, others offered a more equivocal response. For example, some suggested that the differential treatment of men and women might depend on the specifics of the situation, or that while they did not personally experience any different treatment based on their own gender, they were aware of others’ stories.

Stories of differential treatment

Female respondents shared many anecdotes about instances when they felt they were not treated equally to their male peers (or how they imagine their male peers are treated). They were not taken seriously by clients, vendors, or fellow entrepreneurs. While the specifics varied, the overall theme was that many women felt they were generally not accepted or taken seriously in their role as entrepreneurs.

The first example relates to the misattribution of a woman’s business in networking situations with other vendors and entrepreneurs.
“If I’m at an event with a male colleague, or my husband who works on our team, they will immediately turn and start talking to the guy. No, I’m the one; it’s my company. I started it. You know, I mean, just a natural thing still. Just bonkers.”

A second example, also set at a networking event, conveys the experience of not being treated or recognized as a fellow entrepreneur by clients and others.

“I would say in networking, being just seen as, ‘Oh there’s a pretty woman, let’s see how I can engage with her in a way that is… in a way that is not professional.’ I have had that. So, not being taken seriously. And having a client actually not take us seriously… [being mistaken for] cleaners.”

These experiences are not necessarily overt examples of discrimination. However, they can be understood as an assault on these individuals’ sense of belonging and legitimacy as entrepreneurs.

**Explanations of difference**

How do those who have personally experienced differential treatment of male and female entrepreneurs, or can attest to it, explain the phenomenon? What causes it, in their view?

Respondents tended to emphasize one of three distinct explanations.

First, there are cultural explanations, meaning that the different experiences of men and women were understood as rooted in the different sets of expectations we have of men and women in general.

“I think we raise the boys with the assumption that they are going to grow confident and they can do whatever they want. And you raise the little girls as, you need to support… we are the mothers, we support… I disagree with that.”

Additionally, there was an awareness of a cultural double standard in the way women are expected to conduct themselves in business, including penalizing women who don’t live up to standards.
“Because men, I honestly think it’s a thing that we are taught as children. Boys are given the confidence to ask for what they want, and girls aren’t. It’s just, when we do it we are being demanding or bitchy. When men do it they are being confident.”

Cultural factors were the most frequently offered explanation for the differential treatment of men and women among those who conceded there was any difference to begin with.

A second explanation was biological or essentialist, meaning that the different treatment of men and women was rooted in “fundamental” or “natural” differences between men and women. This was the second-most prominent explanation provided by respondents.

“[M]en have traditionally been much more risk-taking... and women crave much more of a stable environment. And women are also afraid to take risks because taking risks also means like potentially a lot of those ingrained sort of protection, maternal instinct-type things. Taking a risk means that you are potentially putting your family life at risk.”

“Men do not have to be reminded that they need to be confident in business dealings. They just are. It’s an innate trait that is – has likely been instilled over the last few millennia.”

Third, a minority of respondents offered explanations related to organizational realities, or an incumbency effect, meaning that women may be treated differently in entrepreneurial contexts because they are relatively new entrants into a field – but this can change over time.

“Most of the time it’s [gender differences in treatment] in the tech field – especially a few years ago, there were many more guys than girls, so just to pull it back, it kinda makes sense that more guys get promoted.”
Takeaways

- Differential treatment of men and women is perceived as reducible to differences in men and women’s skill sets. In other words, men and women are equipped differently as entrepreneurs.

- The particular aptitudes that men and women possess (or lack) are tied to a traditional understanding of women as passive and men as agents. For example, women are perceived as less likely to exhibit confidence, assertiveness, and risk-taking behaviors.

- The difference in these aptitudes is not seen as a skills gap in terms of training per se, but rather as rooted in biological differences, or based in early socialization experiences. Such origins mean that skills gaps are natural and durable.
Conclusion

By looking at the most and least important skills for entrepreneurship, we can paint a well-rounded portrait of the ideal entrepreneur.

The vital skills are not that important in themselves. Their value is that they help individual entrepreneurs to take action and cope with the organizational realities of self-employment. The ideal entrepreneur can adapt to the surprises and challenges of the exceptionally non-routine reality of entrepreneurialism. The core competency of entrepreneurs, then, is taking action: adapting to challenges and leveraging opportunities. Everything outside this core creative action is trivial.

Entrepreneurs placed less value on skills gained through formal education, and more on those gained through experience, or those regarded as innate or achieved through early socialization experiences. The most important qualities were seen as innate or learned early on, while the least important were learned through formal education.

The ideal entrepreneur embodies highly valued skills by virtue of their early life experiences or biology (i.e., nature vs. nurture). If do not already have the skills they need, they gain them through the experience of trial and error in business. In contrast, skills gained through formal education are largely understood as the domain of a slush pool of high-skill but low-value labourers who are readily available for outsourcing.

Another key concern of this report was men and women’s different experiences as practicing entrepreneurs. The vast majority of people agreed that there were additional barriers for women engaged in entrepreneurial endeavors as compared to men. Differential treatment of men and women was perceived as reducible to differences in men and women’s skillsets. In other words, men and women are equipped differently as entrepreneurs; specifically, women lack agentic skills and qualities (e.g., confidence, assertiveness, and risk-taking behaviors). And this difference in skillset is attributable to biological differences between the sexes, or rooted in early socialization experiences that give such “skills gaps” an enduring quality.

Putting it all together: The (De)valuation of Women’s Entrepreneurial Efforts

Respondents did not necessarily see women as lacking in important entrepreneurial skills. However, women were viewed as lacking in qualities that help to activate or facilitate the full realization of those skills. I term these “trigger” qualities. Confidence was most frequently cited as a trigger quality that women lacked, or struggled with.
In each of the following examples, we can see how in addition to simply possessing leadership, entrepreneurial, or creative problem-solving skills, confidence is crucial for being able to actually practice and enact these skills.

Regarding leadership:

“I think [leadership] means a couple of things. One is being willing to own my expertise, and have confidence [in using it].”

“If you’re confident in running your business, those leadership qualities will start to build naturally through the process of building your business.”

Regarding entrepreneurialism:

“You have to believe in yourself. If you don’t have that, there’s nobody that’s going to get on board with you. So you have to have a certain level of confidence in your ability to get stuff done.”

Regarding creativity:

“I think, again it all just sort of ties into everything else, creative thinking if you’re – if you’re willing to think up a crazy idea or a non-conventional idea and have the confidence to put it forward, it might actually be the right solution... Sometimes the creative thinking is just the courage to say let’s do it like everybody else.”

Hence, people may not hold or articulate the belief that men or women vary in the fundamental distribution of key skillsets required for successful entrepreneurship. Yet, they commonly expressed the belief that women lack important trigger qualities, and that this compromises their ability to realize the full benefits of their entrepreneurial efforts. That is, they cannot fully translate their entrepreneurial skills into entrepreneurial outcomes (see Figure 3). And this type of cultural model suggests a degree of skepticism over women’s ability to enact their skillsets effectively.
There is a fundamental mismatch between the way people imagine the ideal entrepreneur on the one hand, and men and women’s entrepreneurial “natures” on the other.
Recommendations

In order to understand pay equity dynamics, a prerequisite step is to understand what we are paying for and what skills are valued. This report has provided an empirical portrait of some of the skills that are most and least valued in the growing market of entrepreneurs. Drawing on these findings, the following are recommendations for individuals who are seeking to improve compensation practices in highly non-routinized work settings, such as entrepreneurial activities.

1. **Employers: get clear about what you’re looking for.** Many of the skills that are valued are ambiguously defined in terms of what they are, and what they do (e.g., creativity). Even so, this does not mean that these qualities are completely idiosyncratic. Reports such as this one should be circulated to enable individuals who struggle to define target skills to express them in clear, commonly understood terms.

2. **Employers: ask questions, then listen.** The types of skills that are most valued are non-certifiable – meaning that they are not easily measured or observed by way of certificates, CVs, etc. When firms are evaluating candidates’ qualifications or performance, they should ask them to tell stories from their lives showing how and when they displayed specific qualities in the workplace. This allows employers to assess performance more directly, rather than making potentially incorrect inferences from other metrics (e.g., sales, hours, etc.).

3. **Less mentoring, more doing.** We need more opportunities for women and other marginalized groups to try and fail. Experiential learning is highly valued by entrepreneurs – even more so than formal learning. Hence, infrastructure or seed grants should be given to women on the basis that simply doing – and failing – is itself a form of training and a valued endpoint in itself, rather than seeing failure as simply absence of success. It is these hands-on experiences that are valued in the entrepreneurial field. Mentoring is a great source of support for entrepreneurs, but advice without the chance to practice is just talk.

4. **Community-building can include backtalk.** There are a growing number of women-focused entrepreneurial groups in Hamilton and Toronto. While these networks are doing important work by providing support, information, and even commercial opportunities for women entrepreneurs, another valuable service would be towards modeling and practicing a concrete business-related skill (i.e., skill translation), and then receiving concrete feedback from others who act as surrogates for vendors, peers, or clients.

5. **New kid on the block? Practice skill translation.** Entrepreneurs who struggle with having their skills recognized and valued should consult reports like this one, and reflect on how they can
translate more of their life experiences into the language of valuable skills. For example, leadership isn’t just practiced in business with clients. It can be demonstrated in the home with family, within a religious community, and elsewhere. Many women and members of other marginalized communities may still not be fully included in entrepreneurial circles. If they can translate experiences from other domains of life into the valued language of entrepreneurial skillsets, they will still be able to demonstrate entrepreneurial capacities.