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Citation for published version:

Marlow, S, Greene, FJ & Coad, A 2018, 'Advancing gendered analyses of entrepreneurship: A critical exploration of entrepreneurial activity among gay men and lesbian women' British Journal of Management, vol. 29, no. 1, pp. 118-135. DOI: 10.1111/1467-8551.12221

# **Digital Object Identifier (DOI):**

10.1111/1467-8551.12221

#### Link:

Link to publication record in Edinburgh Research Explorer

#### **Document Version:**

Peer reviewed version

# Published In:

British Journal of Management

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Download date: 05, Apr. 2019

Advancing gendered analyses of entrepreneurship: a critical exploration of entrepreneurial activity among gay men and lesbian women

#### **Abstract**

This paper advances contemporary gendered analyses of entrepreneurial activity by exploring self-employment amongst gay men and lesbian women. Within current entrepreneurial debate, heterosexual women have become the visible embodiment of the gendered subject. Our contribution is to queer this assumption when focusing upon the entrepreneurial activity of gays and lesbians. Our core question investigates if 'there is evidence of differences between homosexuals and heterosexuals in their likelihood of being entrepreneurially active?' To address this question, we contrast competing notions of gender stereotypes and discrimination whilst drawing on findings from a large-scale population-based study of 163,000 UK adults. We find few differences between homosexuals and heterosexuals; this persists after examining intersectional patterns and considering if gay and lesbian entrepreneurs choose particular sectors, geographies or forms of self-employment. As our discussion highlights, the value of this study lies within its critique of contemporary analyses of gender which assume it is an end point rather than a foundation for analysing gender as a multiplicity.

Keywords: gender, heteronormativity, homosexuality, discrimination, stereotypes, entrepreneurship.

#### **INTRODUCTION**

Since the early 1990s, increasing attention has been afforded to the influence of gender upon entrepreneurial activity using women as a generic proxy for gender (Henry, Foss and Ahl, 2015). This debate has subsequently demonstrated progressive development and increasing coherence (McAdam, 2013). The focal debate has shifted from relatively blunt analyses using founder sex as a variable through which a male norm was utilised to negatively evaluate women's entrepreneurial activities (Carter and Cannon, 1992; Mukhtar, 2007) to contemporary feminist critiques (Ahl and Marlow, 2012; Henry et al., 2015). Such critiques explore the detrimental influence of gendered ascriptions, discrimination and related stereotypes upon women's entrepreneurial propensity and competencies. Despite the growing complexity of contemporary debate, the focus and direction of this maturing strand of research adopts some troubling assumptions in that gendered analyses draw almost exclusively upon women as the unit of analysis and assumes upon an exclusive heteronormative binary. Thus, (assumed) heterosexual women have become synonymous with the gendered subject and moreover, are universally categorised through the metonymy of the 'female entrepreneur' placed as 'other' to the normative and so unlabelled (assumed) heterosexual male entrepreneur. Also troubling is the expectation in gendered accounts of entrepreneurship that there ought to be gender differences, even though these are often found to be empirically overstated (Ahl, 2006). As such, it is somewhat paradoxical that a critique developed to expose gender bias potentially promotes the designation of women as the embodiment of the gendered subject and narrows debate by discounting influences such as sexual orientation. Upon reflection, contemporary gendered accounts of entrepreneurship appear partial and indeed, possibly discriminatory.

Within this paper, we advance debate and move beyond such limitations when exploring the entrepreneurial activities of homosexuals. Our central research question asks: 'is there evidence of differences between homosexuals and heterosexuals in their likelihood of being entrepreneurially active?' Homosexuality challenges dominant socially embedded heteronormativity through same-sex partner preference. The disruption this invokes upon normative expectations that biological sex maps onto associated notions of masculinity and femininity (Butler, 2004; Connell, 2005) relates to socioeconomic discrimination (Pringle, 2008; Tilcsik, Anteby and Knight, 2015). In her critique of similar bias within management research, Pringle (2008: 118) notes that 'heterosexuality is the unstated and unseen foundation' requiring homosexuals to develop strategies to 'pass' as heterosexual or risk discriminatory reprisals. Reflecting these arguments, we suggest prevailing assumptions that heterosexual women are natural ciphers for the gendered subject in contemporary entrepreneurship limit debate and theory development. Accordingly, the implications of enacting contradictory gendered performances and/or same-sex preferences upon entrepreneurial activity require further analytical interrogation.

To explore the degree to which, if any, homosexuality is associated with entrepreneurial activity, we seek to open up greater debate in contemporary scholarship by challenging assumed heteronormativity and associated discriminatory outcomes. One assumption being there is an association between homosexuality and adjustment or reversal of stereotypical behaviours (Chung and Harmon, 1994; Schneider and Dimito, 2010), suggesting that gays and lesbians choose to interpret or deconstruct gender stereotypes in differing ways. Where gender stereotype reversal is enacted through homosexuality, this can invoke stigma (Tilcsik et al., 2015) with related and diverse forms of discrimination (Broadbridge and Simpson, 2011) which may lead gays and lesbians to consider entrepreneurship as a refuge from discrimination (Ragins, 2004). In contrast, however, gendered entrepreneurial differences may be exaggerated, particularly as the few studies of gay and lesbian entrepreneurial activity suggest few differences between homosexuals and heterosexuals (Willsdon, 2005; Schindehutte, Morris and Allen, 2005).

Thus, whilst increasing attention has been afforded to the implications of normative gendered ascriptions and discrimination upon women's entrepreneurial activity, this analysis has rarely explored gay and lesbian entrepreneurship, despite calls to address this lacuna (Galloway, 2012; Leppel, 2016). In engaging with this under-researched field and in the light of the consequent novelty of this study, we adopt a competing hypothesis approach. This approach is invaluable as it "is an effective way to

determine the relative merits of alternative theories" (Miller and Tsang, 2011: 140) particularly in cases "where prior knowledge leads to two or more reasonable explanations" (Armstrong, Brodie and Parsons, 2001: 4). Given, therefore, our exploratory focus, we develop two alternative hypotheses: First, a null hypothesis that there are no differences in entrepreneurial activity patterns between homosexuals and heterosexuals; and second, male and female homosexuals may be more likely to select into self-employment as a refuge from employment discrimination and so, are more likely to be entrepreneurially active than heterosexuals.

Although we argue that focusing on gays and lesbians as the unit of analysis challenges current normative and gendered assumptions within entrepreneurship, we also recognise that in whatever iteration, gender alone is a blunt instrument. As such, we seek to progress debate by recognising subsequent to assessing our hypotheses - a range of intersectional influences which may intrude upon and attenuate gendered performances (Broadbridge and Simpson, 2010, Al Dajani, Carter, Marlow and Shaw, 2015). Moreover, Tilcsik et al. (2015) argue that homosexuals respond to gender stereotypes and homophobic discrimination by undertaking occupational choices that attenuate task independence and resonate with their social perceptiveness. Hence, in keeping with person-job fit research (Kristof, 1996) which suggests that individuals choose particular forms of entrepreneurial activity, locations or sectors congruent with motivations (Markham and Baron, 2003), we also seek to assess the validity of our hypotheses by disaggregating entrepreneurial activity into specific types and by examining if there are differences in sectoral and geographic patterns between homosexual and heterosexual entrepreneurs.

Empirically, to explore entrepreneurial activity amongst gays and lesbians, we use the UK Integrated Household Survey (IHS); a large-scale population-based representative survey of 163,000 British adults conducted in 2010<sup>1</sup>. These data are valuable for three reasons: first, the focal question in the survey – a self-report measure of sexuality – was subject to rigorous development, testing and evaluation (Betts, 2008a,b; Betts, Wilmot and Taylor, 2008; Haseldon and Joloza, 2009). Second, our data are representative of the adult UK population (Uhrig, 2014). These data are valuable as they differ from studies reliant upon small-scale convenience sampling. One negative aspect of non-representative convenience sampling being that it is likely to over-sample particular types of individuals or groups. Such selection biases can accentuate differences absent within a wider group or population (Uhrig, 2014). Finally, these population-based data contain additional information related to entrepreneurial activity. Our measure of entrepreneurial activity is self-employment status; we draw upon this construct as it captures a broad range of entrepreneurial activities (identifying and exploiting opportunities, making decisions in dynamic and uncertain settings, organizing resources)

(Patzelt and Shepherd, 2011) and is valuable as an expression of a wider multi-layered domain in which people construct and exploit entrepreneurial opportunities (Wiklund et al., 2011).

To explore these arguments, the paper is structured as follows: the next section develops the theoretical framework by critiquing current approaches to defining and analysing gendered influences upon entrepreneurial behaviour, and develops competing hypotheses using stereotype theory and analyses of the effects of labour market discrimination. The third section outlines our data. Section four describes the results for the two hypotheses and interrogates their robustness by examining if intersectional factors, and contextual factors such as sector, location and different types of self-employment, are associated with entrepreneurial activity among homosexuals and heterosexuals. Finally, we conclude by discussing the implications of our findings, noting limitations of this study and suggestions for future research.

# THEORETICAL FRAMEWORK - EXPANDING UPON CURRENT GENDERED ANALYSES OF ENTREPRENEURIAL BEHAVIOUR.

The influence of gender upon entrepreneurial behaviour has been increasingly recognised since the early 1990s (Henry et al., 2015). Whilst this debate has moved through several iterations – from simplistic 'gender as a variable' approaches to theoretically informed feminist critiques of how gendered ascriptions shape entrepreneurial propensity, behaviour and outcomes – the focus has remained resolutely upon women (Ahl and Marlow, 2012; Marlow, 2014). In effect, women are positioned as exclusively gendered subjects; as Kelan (2009: 321) notes, 'gender sticks to women' in a manner which does not apply to men. Whilst debate has progressed such that issues of intersectionality (Essers and Benschop, 2009) and context (Welter, 2011) are acknowledged within prevailing analyses of gender and entrepreneurship, the former is largely presumed to be the homogenised property of self-employed women operating in developed economies. Moreover, a heterosexual gendered binary dominates that presumes heteronormativity (Marlow, 2014).

These assumptions underpinning contemporary debate must be challenged if we are to advance understanding of gendered ascriptions, discrimination and stereotypes on entrepreneurial activity. One avenue to such theoretical advancement is to extend analyses of how gender stereotyping and discrimination apply to those who do not confirm to the heteronormative binary. The acceptance of same-sex preferences in many advanced economies is increasingly common (Smith, 2011) yet, discriminatory attitudes and prejudice persist (Badgett et al., 2007; Priola et al., 2014; Tilcsik et al., 2015). The outcome of tensions between the greater social visibility/acceptance of gay men and lesbian women and the existence of discrimination are of importance for entrepreneurship if such

discrimination motivates entrepreneurial activity (Galloway, 2012). It has been demonstrated that employment related socio-economic discrimination arising from social ascriptions related to race, ethnicity or sex prompt self-employment as individuals seek to create their own employment (Clark and Drinkwater, 1998; 2000; Galloway, 2012). Whilst the efficacy of such avoidance strategies as a solution to organisational prejudices is limited given the ubiquity of diverse forms of socio-economic discrimination beyond the constraints of employment, the extent to which gays and lesbians might pursue self-employment to counter employment discrimination remains under-explored.

Complicating this debate further is the role of stereotypical categorisation which shapes assumptions regarding normative characteristics and behaviours which in turn, enable us to engage in predictable and comprehensible social interaction (Ashforth and Humphrey, 1993; Greene, Han and Marlow, 2013). Within entrepreneurship, such stereotypes are the foundation for the masculinised discourse which informs assumptions and expectations of 'who and what' is an entrepreneur (Ahl, 2006; Gupta et al., 2009). When women enter this masculinised arena they are made comprehensible through labels such as, for example, the 'mumpreneur' or 'lipstickpreneur' ensuring women remain prototypically feminised when appearing within the masculinised discourse of entrepreneurship (lyer, 2009). Indeed, this analysis also fails to acknowledge contemporary and multiple articulations of masculinity – from 'new' metrosexual males to notions of inclusive masculinity and post-feminist males (Anderson, 2009). For example, just as gay men may articulate different forms of masculinity from the 'straight' gay man (Connell, 1992) through to being 'camp' (Rumens and Broomfield, 2014), hybrid forms of masculinity have emerged that seek to incorporate gay aesthetics that allow heterosexual men to "distance them in subtly different ways from stigmatizing stereotypes of masculinity" (Bridges, 2014: 59). The implicit sexual stereotypical framing of individuals and groups informs gendered accounts of heteronormative entrepreneurship which may help unwittingly to embed the very notions that should be challenged. Focusing on the entrepreneurial activities of gays and lesbians offers a new facet to the gender critique whilst challenging the contemporary heteronormative assumptions; it is time to 'queer' the entrepreneurial agenda (Marlow, 2014). We now explore these arguments by developing hypotheses relating to key constructs such as gay entrepreneurship, stereotypical assumptions, and discriminatory outcomes.

#### HYPOTHESES DEVELOPMENT

# Stereotypical assumptions

Gender stereotypes are influential in shaping and ordering universal expectations of human behaviour; so for example, through ascriptions of femininity, women are designated as 'affectionate, gentle, loyal, tender' whilst masculinity positions men as 'aggressive, competitive, dominant and forceful' (Bem, 1993; 231). Although this classical stereotypical division is somewhat dated, an overview by Fine (2010) of gendered assumptions demonstrates the ubiquitous persistence of such stereotypes. Such ascriptions are problematic; in tandem with informing mutual sensemaking, they also act as valorisation devices. Attributes associated with femininity and by implication, women, are deemed to have lower worth that those associated with men and masculinity (Kelan and Mah, 2014; McRobbie, 2009). This is evident within the field of entrepreneurship; Ahl (2006), Gupta et al. (2009), and Greene et al. (2013) describe how entrepreneurial activity is associated with masculinised stereotypes such as agency, risk taking and individualism. Such assumptions position women in deficit as femininity is a poor fit for entrepreneurship (Piacentini, 2013) as women are "subordinate within the gendered entrepreneurial binary where the normative representation is confirmed as male" (Ahl and Marlow, 2012: 555). Further, they help reinforce a perceptual bias within the debate in which researchers expect women to reproduce stereotypical behaviours and, consequently, to be weaker entrepreneurial actors based upon normative assumptions.

Increasingly, however, the evidence indicates that once engaged as business owners, women perform in a similar fashion to their male peers (Robb and Watson, 2012; Carter, et al., 2015). As Ahl (2006) notes, small performance differences between male and female led firms have been exaggerated to concur with expectations of a femininity deficit whereas there are far more intracategorical than inter-categorical differences between male and female led businesses. Mountains, therefore, have been made out of molehills (Ahl, 2006). Accordingly, although there is increased evidence that leadership styles have become more androgynous (Bosak and Sczesny, 2011) and there are fewer firm-level performance differences between males and females, the influence of gendered ascriptions still matter as they channel pathways into entrepreneurship and also perceptions and assumptions regarding the role of femininity and masculinity within entrepreneurship.

For gays and lesbians, this could suggest that faced with the stereotype of an agentic male entrepreneur, they are less likely to be entrepreneurially active than heterosexuals. However, this fails to recognise that gays and lesbians have historically negotiated employment opportunities through stereotype reversal (Escoffier, 1975; Chung et al., 1994). Moreover, social change has increased the potential for multiple interpretations of gender; enacted through internal and external exchanges, and influenced by space, time and context (Linsted and Pullen, 2006). For example, contemporary social shifts and legal changes regarding the visibility and acceptance of homosexuality have, to

differing degrees, dissipated some homophobic biases faced by gays (both as men and as homosexuals) and lesbians (both as women and lesbians) who do not conform to heteronormative gendered norms. Smith (2011) notes that in the UK, those who felt there was 'nothing wrong at all' in same-sex partnerships increased from 18.8% in 1991 to 36.1% in 2008. In the USA, this proportion increased from 12.9% in 1991 to 32.3% in 2008<sup>2</sup>. The increasing social acceptance of gays and lesbians has constrained some of the hostility generated by contradictory gender performances and so weakened stereotypical biases.

Within developed economies, it appears that to some extent, the generic stigma attached to homosexuality may be declining. Thus, whilst homosexuality may generate a challenge to heteronormativity, it may be – just as with heterosexuals – that as entrepreneurial actors, gays and lesbians may eschew, like very many female or ethnic entrepreneurs, being regarded as 'gay' or 'lesbian' entrepreneurs (Carter et al., 2015). Indeed, similarities and commonalities between heterosexuals and homosexuals are noted in the few studies exploring the relationship between homosexuality and entrepreneurial activity. For example, Willsdon (2005) and Schindehutte et.al., (2005) argue that gay men enter entrepreneurship as it meets a need for career autonomy and financial independence; such motivational factors are generic to the broader motivations of the self-employed population (Greene and Storey, 2010). Based upon arguments that gay men and lesbian women may actively conceal their sexual preference, simply ignore stigmatizing stereotypes or see their sexual orientation as being unimportant, we propose that the motivations for homosexual self-employment are no different from those of heterosexuals:

H0a: Gay men are just as likely to be entrepreneurially active as heterosexual men. H0b: Lesbians are just as likely to be entrepreneurially active as heterosexual women.

Does discrimination foster entrepreneurial activity among gays and lesbians?

Reminiscent of Becker's (1957) 'taste for discrimination' thesis, it has been argued that gays and lesbians are subject to labour market discrimination (here defined as when a minority are treated less favourably than the majority group with similar labour market characteristics (Gerhards, 2010; Kirton and Greene, 2010). This is reflected in studies undertaken in the 1990s that impute differences in earnings to sexual discrimination and find that, relative to heterosexuals, gay men suffered an income penalty and lesbians experienced an income premium (e.g. Badgett, 1995; Klawitter and Flatt, 1998). However, although more recent studies have identified far fewer income disparities between homosexuals and heterosexuals (Elmslie and Tebaldi, 2014; Clarke and Sevak, 2013; Cushing-Daniels and Yeung, 2009), incidences of socio-economic homophobic discrimination persist. This is articulated in diverse ways: studies of recruitment decisions (Drydakis, 2009; Tilcsik, 2011; Ahmed et al., 2013)

suggest that where indicative information regarding sexual preference is available, gays and lesbians are less likely to be invited to interview or appointed to post. Frank (2006) notes the existence of a 'lavender ceiling' in academia which constrains the promotion prospects of gay academics whilst a review of employment conditions by Badgett et al. (2007) indicates significantly higher levels of non-wage discrimination such as dismissal and/or promotion blocking plus verbal or physical abuse.

Moreover, the lingering stigma surrounding homosexuality might discourage 'coming out' in the workplace such that labour market discrimination encourages strategies to avoid revealing individual sexual preference. Priola et al. (2014: 499) argue that even in organizations which promote inclusivity, gay men and lesbians come up against "discriminatory practices such as silence, gossip and derogatory comments". Furthermore, even if gays and lesbians remain closeted, the danger arises that their homosexuality will be either inadvertently or deliberately revealed. Disclosing homosexuality generates the potential for hostility and abjection with related discrimination or harassment (Butler, 2004; Wickens and Sandlin, 2010).

Given such unpalatable choices, Ragins (2004) suggests that homosexuals often seek and find employment in 'safe havens' which minimise discrimination. One such safe haven may be self-employment given the greater latitude of choice in terms of colleagues, customers and stakeholders (Galloway, 2012). Accordingly, although small-scale non-probability studies of homosexual entrepreneurs do not find that homophobic discrimination acts as an impetus towards entrepreneurship (Schindehutte et al., 2005; Willsdon, 2005), we argue, for our second competing hypothesis, that gays and lesbians have a greater likelihood of self-employed because it "offers a path of independence from real and perceived discrimination" (Kidney and Cooney, 2008: 16). Thus, we suggest:

H1a: Gay men are more likely to be entrepreneurially active than heterosexual men.

H1b: Lesbians are more likely to be entrepreneurially active than heterosexual women.

#### **RESEARCH METHODS**

Data

Our data are from the UK Office for National Statistics (ONS) Integrated Household Survey (IHS) conducted in 2010. The IHS is a composite household population-based survey covering information on UK household composition, employment outcomes, ethnicity, education, and geographic location for a representative sample of the UK population. In 2010, the IHS included a question on sexual orientation; this arose from an ONS working group, established in 2006, whose remit was to develop a single self-report question on this issue to aid equality legislation monitoring and provide a robust estimate of the number of gay men and lesbians in the UK. The ONS did not seek to measure all facets

of sexual orientation, recognising that some individuals, for example, may be attracted to others of the same sex but not wish to enact their feelings (Carpenter, 2008).

Conscious of such issues, the ONS undertook extensive and rigorous in-depth consultations with experts, gay and lesbian support and advocacy groups, academics and focus groups to develop a question on sexual orientation that is easy to administer and comprehend (Haseldon and Joloza, 2009). From this process, the following question emerged: "Which of the options best describes how you think of yourself?": 'heterosexual/straight', 'gay or lesbian', 'bisexual' or 'other'". This was subject to extensive piloting (e.g. General Lifestyle Survey) prior to its use in the IHS. Survey interviewers were also trained to use the question appropriately; whilst complementary qualitative research to test and evaluate it was conducted through telephone interviews with non-responders and survey interviewers, field observation, and focus groups and in-depth cognitive interviews with the members of the general public (Haseldon and Joloza, 2009). This revealed that "the response categories were appropriate and optimised comprehension" (Betts et al., 2008: 5). Response rates were high (96.2%); reflecting that individuals were more comfortable answering questions about their sexual orientation than providing information about income (Badgett, 2009). In summary, whilst it is challenging to capture the complexities of sexual orientation within one question, the question has been subject to rigorous development, testing, and evaluation.

In our analysis, we focus on working-age gay men and lesbian women (16-65 year olds); the ONS (2011) estimate that this represents 0.9 percent of the UK adult population. This is similar to other UK and international measures of sexual minority status (see: ONS, 2011)<sup>3</sup>. The ONS data are distinct from the information provided by community-based studies which tend to address problems of access to marginal groups through non-probability sampling such as 'snowballing' (Ozturk, 2014; Galloway, 2012; Willsdon, 2005; Schindehutte et al., 2005). Snowballing, however, leads to selection biases: for example, Uhrig (2014) shows that in studies exploring poverty amongst homosexuals, recruiting participants through informal networks and associations led to over-sampling financially solvent participants thus, adding to assumptions of the importance of the 'pink pound' or 'Dorothy's dollar'. Using the IHS however, overcomes such bias; and, by focusing upon heterosexuals and homosexuals, our raw sample is reduced from 165,037 to 163,688<sup>4</sup>. Of these, we have 70,817 heterosexual and 1,015 gay men, and 91,178 heterosexual and 678 lesbian women.

# 4.2. Variables and estimation approach

Our dependent variable is self-reported self-employment status (1=self-employed, 0=employed). This is consistent with other studies that use self-employment as a proxy for entrepreneurial activity (Storey and Greene, 2010; Patzelt and Shepherd, 2011)<sup>5</sup>.

Our key independent variable – sexual orientation – is binary (1=gay/lesbian, 0=heterosexual)<sup>6</sup>. Although of secondary concern, we also focus on a range of common human capital attributes associated with entrepreneurial activity such as age, and age squared. Evidence from review studies (Storey and Greene, 2010; Parker, 2009) suggests that age follows an inverted U-shape, with younger and older people being less likely to be entrepreneurs than 'prime age' entrepreneurs (35-55 years old), reflecting inter alia less time to build up human and social capital (younger people) and risk aversion or a preference for leisure (older people). Although little is known about the human capital attributes of gay or lesbian entrepreneurs, Schindehutte et al. (2005) suggests that gay entrepreneurs are also likely to be of 'prime age'. As such, we use both age and age squared controls for the expected non-linearity of age. We also explore educational attainment (1= university degree, 0=otherwise); amongst heterosexuals, there is an ambiguous relationship between education and entrepreneurship as a degree makes individuals more attractive to employers but it also augments entrepreneurial capabilities (van der Sluis et al., 2008). There are also likely to be differences both in terms of being an immigrant and ethnicity. For example, US (Fairlie and Lofstrom, 2013) and UK (Clark and Drinkwater, 1998; 2000) studies show that Asians are more likely to be entrepreneurially active than Blacks. Hence, we examine dummies for Immigrant (1=born in the UK, 0=otherwise), and ethnicity (Mixed race, Asian, Black and 'Other;' with the omitted base case being White).

Household characteristics are also important. Home ownership (1=self-reported home ownership (own outright/with mortgage); 0=otherwise) provides collateral to pledge against external finance needs (Parker, 2009). So, too, is marriage, as married individuals can more readily access financial and emotional resources (Parker, 2009). However, as Özcan (2011) suggests a more contemporary approach to understanding household relationship structures, we examine different forms of relationship status (dummies for single, those in a relationship, and separated/widowed/divorced ('sep/wid/div') with 'single' being the omitted base category). Whilst it may be anticipated that homeowners and those in a relationship have greater resources, there is ambiguity about the relationship between the number of children in a household and self-employment outcomes. This reflects that little is known about self-employment among gay men and even less about the attributes of lesbians in self-employment. It also reflects that gays and lesbians are less likely to have children; and those that do, appear not to follow the stereotypical household division of roles and responsibilities (Tebaldi and Elmslie; 2006). Freedom from childcare and shared domestic labour may encourage over-investment in entrepreneurship, particularly as

entrepreneurship is associated with longer working hours (Storey and Greene, 2010), but such effects might also encourage shorter working hours and inhibit the up-take of entrepreneurship. Finally, to control for geography and sector, we use dummies for each of the 12 UK regions/countries and for the nine sectors of the UK economy<sup>7</sup>.

Our initial empirical strategy is to provide summary statistics, correlations and t-test results. To assess our competing hypotheses, we use probit regression since this is a mainstream, parsimonious estimation approach commonly used for analysing binary dependent variables such as ours which compare the self-employed status of gay men and lesbian women with heterosexual men and women, respectively<sup>8</sup>. In addition, we provide robustness checks to identify if there are nuances in the relationship between these groups and entrepreneurial activity due to differences in the type of entrepreneurial activity (e.g. freelancer, business director); further sources of intersectional difference (e.g. age, ethnicity, relationship status); or in relation either to sector or geographic location. For all of these results, to assess the magnitude of change between variables, we report marginal effects.

#### **RESULTS**

Table 1 shows descriptive statistics and the results of univariate tests (chi-square and t-tests) for males and females, sorted by heterosexual women, lesbians, heterosexual men and gay men. We complement these in Table 2 with separate correlation results for both men and women. Table 1 shows that 9.1% of lesbians were self-employed; this is marginally more than the share of heterosexual women in self-employment (7.7%) but is not statistically significant. Gay men are, however, less likely (12.6%) than heterosexual men (16.8%) to be in self-employment<sup>9</sup>. Table 1 also shows that gay men are less likely to be homeowners but that both lesbians and gay men are younger, better educated, more likely to be single, have fewer children, and less likely to be white or mixed race. However, as Table 2A (females) and Table 2B (males) indicate, the correlation between variables is low<sup>10</sup>.

## Tables 1 and 2 about here please

Our main results are in Table 3 and divided into two separate analyses (Model 1: females, Model 2: males). For females, we find that lesbians are more likely to be self-employed. However, this is significant at only the 10 per cent level and the effect size is small: the estimated marginal effect is 0.02, i.e. the probability of being self-employed is on average about two percentage points higher for lesbians than for heterosexual women with the same characteristics. For men, Model 2 shows that

gay men, when compared to heterosexual men with the same characteristics, are no more likely to be entrepreneurially active. Overall, our results suggest support for our null hypotheses.

## Table 3 about here please

Table 3 also finds that many of the standard well-established relationships found in prior studies are also evident in our large scale population based data: age has the standard inverted U-shaped effect whilst homeowners, those with children, women in relationships, Asian and 'Other' males are more likely to be entrepreneurially active. In contrast, Black males and females are less likely to be entrepreneurially active. In sum, although we find expected commonalities in terms of household and individual characteristics, we do not find evidence that homosexuals are more or less entrepreneurially active than heterosexuals.

These findings, however, may hide important nuances. We, therefore, considered a series of robustness checks to complement our main results. In so doing, we explored intersectional elements which focus upon the interaction between non-dominant race and gender categories as a specific form of oppression (Essers, Benschop and Doorewaard, 2010) and uses markers of social identity that are 'inextricably interconnected in the production of social practices of exclusion' (Crenshaw, 1997: 237). In particular, because intersectionality positions individuals within social hierarchies and so critically informs resource allocation and accrual (Anthias, 2001), it suggests that intersectional influences such as race and ethnicity may meld with gendered stereotypical ascriptions that result in differential patterns of entrepreneurial activity among gays and lesbians. In effect, although Table 3 considers sex and sexuality, it may be that entrepreneurial activity differences only become apparent when sex and sexuality are considered alongside ethnicity, age or other intersectional factors.

We also considered if gay men and lesbians might choose particular sectors, geographic locations or types of self-employment. Florida (2002) in his 'creative class' thesis suggests that gay men often co-locate in particular regions because it inhibits discrimination. Concentrations of gay men are integral, he argues, for creating a more vibrant, tolerant region which is conducive to innovation and entrepreneurship. Galloway (2012) also suggests that some gay entrepreneurs – like ethnic or immigrant entrepreneurs – establish businesses to serve particular needs in their host community. Homosexuals may also choose entrepreneurship in sectors in they are less likely to experience homophobic discrimination and in which there is less dissonance between their sexuality and prevailing gendered occupational role norms (Chung and Harmon, 1994; Schneider and Dimito, 2010; Tilcsik et al., 2015). Hence, gay and lesbian entrepreneurs may be more prevalent in particular sectors or locations. They may also choose particular types of self-employment. Instead of being a director of a limited company (a well-established proxy for a growth-oriented business: Storey and Greene, 2010) they may be more likely to be freelancers or working as a self-employed 'agency' worker.

In terms of intersectional effects, Table 4 shows the summary results of probit models that use interaction terms to assess if, beyond sex (male and female) and sexuality (homosexuality and heterosexuality), there are further intersectional differences. In these intersectional models, the dependent variable is that used in Table 3 (1=self-employed; 0=employed) and, again, we report marginal effects and significance levels. To compute interaction effects (e.g. gay\*age), we controlled for main effects (e.g. gay, age)<sup>11</sup>. Table 4 shows only two significant results: lesbian women with a degree (lesbian\*degree) were less likely (p. 0.05) to be self-employed but gay men in a relationship (gay\*relationship) (p. 0.01) were more likely to be self-employed. Similarly, Table 4 shows sparse results for sector and geography: it may, for example, have been expected that gay and lesbian entrepreneurs would be more common in London or that, if populist stereotypes are to believed, that lesbian entrepreneurs would be more prevalent in construction (Tilcsik et al., 2015)<sup>12</sup>. Instead, lesbian entrepreneurs are more prevalent in the North East of England (p. 0.1) and in Wales (p. 0.01); and gay men are more likely to be found in 'other sectors' (p. 0.05). Finally, Table 4 summarises the results of other probit models that use different forms of self-employment (e.g. agency, freelance selfemployment) as the dependent variable. Table 4 only points to two differences: gay men are more likely to be either owners (p. 0.05) or partners (p. 0.05) in a business or professional practice. Overall, whilst there are a few indications of differences between heterosexuals and homosexuals, these robustness checks reveal a set of results that differ little from our main results.

#### Table 4 about here please

## **CONCLUDING DISCUSSION**

Some years ago, Holmquist and Sundin (1988:1) observed that entrepreneurship research was 'about men, by men and for men'. This prompted a focus upon women's business activities in the 1990s, and subsequently led, in the 2000s, to a more theoretically complex gendered critique which challenged heteronormativity in entrepreneurial studies. Such an intellectual endeavour remains important as analyses of women's business ownership, reflecting that of the young, older people, immigrants, ethnic minorities or the disabled, is uncritically labelled as 'missing' entrepreneurship (OECD/European Commission, 2013; 2014; 2015). However, in creating valuable critiques of the tendency to treat those that are not white, male, well-educated as 'other', there is a danger of creating niche categories such as gender — which has largely become 'about women, by women and for women'. Marlow (2014) notes that gendered research on entrepreneurial activity has now become focused into specialist conferences, tracks, and dedicated journals; this, in turn, enables 'mainstream' debate regarding 'core' entrepreneurial activities and processes (opportunity recognition, start-up,

growth, exit processes, finance) to continue with a mantle of gender neutrality, whilst remaining steeped in masculinity. There also a danger that in positioning women in entrepreneurial deficit that researchers do not acknowledge that women business owners may eschew labelling themselves as different from their male counterparts; that researchers ignore evidence that there are few firm-level performance differences between males and females; and that there are far more intra-categorical than inter-categorical differences between male and female led businesses (Ahl, 2006). Accordingly, whilst we recognise the profound importance of gender as a critical influence upon human interaction which must be acknowledged (Martinez-Dy et al., 2014), using the arguments formulated in this paper, our critique of contemporary analyses is that gender has a myriad of articulations and should be deemed a foundational departure point to develop future analyses rather than an end point in and of itself.

To add to debate, we sought to explore entrepreneurial activity amongst gay men and lesbian women. In so doing, we believe it is time to advance the contemporary gendered entrepreneurial debate. This is important because, it connects with nascent strands in management studies exploring the ontological roots of heteronormativity to help expose "sexuality as a cultural invention rather than an intrinsic property of an individual" (Ozturk and Rumens, 2014: 513). Such reflexive critiques about how sexuality is articulated (Rumens and Broomfield, 2014) are important for developing a more critically engaged understanding of gendered notions of entrepreneurship. It also chimes with calls for analyses of the scale and shape of gay and lesbian engagement with entrepreneurial activities (Galloway, 2012; Kidney and Cooney, 2008).

To explore our guiding research question, 'is there evidence of differences between homosexuals and heterosexuals in their likelihood of being entrepreneurially active?' we used a competing hypotheses approach which drew on large scale population data to investigate the relationship between homosexuality and entrepreneurial activity. A competing hypothesis approach is apposite in contexts such as ours where there are divergent, but plausible accounts, of gay and lesbian entrepreneurial activity and a paucity of evidence. Evaluating contrasting hypotheses is also germane to our context because it reveals opportunities for critically exploring if similarities, rather than differences, mark the entrepreneurial activities of both heterosexual and homosexual men and women; an approach under-explored in entrepreneurship research. Further, our data are appropriated because given the use of a rigorously developed, tested and evaluated question on sexual orientation. Our population based data are also valuable because they do not rely on small-scale convenience sampling which may over-sample particular individuals or groups. Our null hypothesis, that there are no differences between the entrepreneurial propensities of homosexuals and heterosexuals, is supported. We subsequently examined, beyond sex and sexuality, a range of

intersectional factors (e.g. age, ethnicity) and for differences in terms of sector, geography or type of self-employment. Although there were pockets of difference, these robustness checks revealed few differences in entrepreneurial activity patterns between homosexuals and heterosexuals. This resonates with other evidence which demonstrates that gays and lesbians share generic motivations to enter entrepreneurship, such as the desire for independence, rather than experiences of homophobic discrimination (Galloway, 2012; Schindehutte et al., 2005). In addition, stereotypical ascriptions critical to informing the prevailing masculinised discourse of entrepreneurship do not appear to act in any counterfactual way – so encouraging agentic lesbians but discouraging communal gay men – from entrepreneurial careers.

Given that, as researchers, we often expect stereotypical gendered ascriptions and related discrimination upon socio-economic choices and behaviour to be important, these results might appear surprising. We, however, see that they support our argument for the need for greater discernment between perceptions which fuel expectations of gendered behaviours and substantive evidence which does not support such perceptions. Reflecting evidence that challenges the 'entrepreneurial deficit' stereotype amongst women business owners (Ahl and Marlow, 2012) our approach challenges the dominant presumptions in extant theorising in this research domain that the gendered individual is, in fact, defined and bounded by their ascribed gender. Rather, we argue that although gender may be critical, it is not deterministic. Moreover, we found no evidence that entrepreneurship represents a 'safe haven' for homosexuals (Ragins, 2004). This suggests a plurality of ways - in modern contemporary developed societies where there is the legal protection of gay rights - by which individuals can do, undo, redo, or do gender differently (Deutsch, 2007; Butler, 2004; Mavin and Grandy, 2012). This in turn, challenges us as researchers to make apparent the often implicit normative framing of differences between individuals and groups and thereby, encourage greater reflexivity regarding, in this case, gendered accounts of heteronormative entrepreneurship which may help unwittingly to embed the very notions that we are seeking to challenge.

To take the example of some assumptions underpinning this paper, we note that homosexuality is increasingly accepted in many developed economies; evidently, there are many countries where it not only generates disapproval but also, social exclusion and violence (Ozturk, 2011). Equally, gendered ascriptions are associated with socio-economic and cultural-political attitudes (Al Dajani et al., 2015). Hence, one limitation of this study is that our data explores the profiles of gays and lesbians in a developed economy with a growing acceptance of homosexuality and finds no evidence that gays and lesbians are pushed into entrepreneurial activity. Whilst this may be comforting both from a policy and societal perspective, the influence of the prevailing research context must be acknowledged to avoid Euro/US centric biases which limit so much entrepreneurship

research (Bruton et al., 2009). Transposing this analysis to other less permissive socio-cultural environments where homosexuality is considered in less favourable terms may lead to very different findings (Ozturk, 2011). As such, expanding such research to differing contexts is essential to illustrate how gender is dynamically articulated through a complex prism of influences such that it becomes an enabling analysis to understand the role of entrepreneurship in diverse socio-economic environments. This issue is now being reflected in other strands of entrepreneurship research so, for example, Ram et al. (2012) question the utility of 'ethnic minority status' as a useful denominator of entrepreneurship given the influence of what they term 'super-diversity' amongst often crudely designated minority groups.

We also recognize, in turn, that we face – like other researchers – a 'treacherous bind' which draws on limited categorisations to explore and disrupt these very same categories (Gunaratnam, 2003). For example, whilst self-employment illustrates entrepreneurial activity, a disadvantage is that self-employment, however articulated, does not allow us to identify the sub-set of individuals who own innovative and growth oriented businesses; or how joint ownership is related to resource accrual and management strategies. Examining these types of businesses is important as it advances understanding of how higher human capital, lower levels of caring labour and more balanced division of household responsibilities might connect with the propensity of gay men and lesbian women to manage more complex businesses (Wellington, 2006). Whilst contemporary evidence on growth firms does recognise gender (Anyadike-Danes, Hart and Du, 2015) this is analysed through critiques of the limited growth trajectories of women owned firms. Future research on growth ventures needs to acknowledge diverse and complex articulations of gender and sexuality.

Moreover, we recognize that rather than using cross-sectional data, there is a need to explore business entry and entrepreneurial performance over time. There are also issues regarding the use of self-report sexual orientation as a measure of homosexuality since any single measure of sexual orientation is unlikely to fully capture all sexual attitudes and behaviours. It is possible, although response rates to the sexuality question were high, that some individuals may decide, because of age, culture, fear of exposure, and so on to misrepresent their sexuality. To address such issues, future research using a mixed methods approach is essential to provide more fine-grained insights into the diverse multiplicity of gendered performances unavailable in this study (Linsted and Pullen, 2006). In calling for further qualitative research to address the serious shortage of research on gay and lesbian entrepreneurs, we see that there are opportunities to develop a greater understanding of how individual gays and lesbians may negotiate heteronormative norms, may choose to queer these norms, and how gay and lesbian entrepreneurs discursively position themselves and be positioned by others either in mainstream or in gay 'niche' markets (Ozturk, 2014; Galloway, 2012).

In conclusion, to provide balance to the extant bias in current debate, this exploratory study has examined gay and lesbian entrepreneurship developing a comprehensive conceptual framework to challenge current assumptions that only women are gendered subjects. Using an extensive large scale representative data set to illustrate our theoretical framework, we found no gendered effects; reflecting existing arguments pertaining to the overall similarity between the performance of male and female owned firms. Whilst we do not deny the critical importance of gender, discrimination or stereotypes as fundamental identity and life chance indicators; we suggest that gender does not simplistically equate to women, and that evaluating how gendered representations relate to the entrepreneurial activities of individuals (whatever their sexual persuasion) must become the normative stance within research if we are open up new strands of theorising and crucially, to avoid creating a feminised ghetto of gender research which is marginalised from mainstream debate.

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<sup>1</sup> The IHS data is produced by the Office of National Statistics, the UK's main source of official and independent data on economic and social activity in the UK. The data was available via the UK's Data Archive under special licence. We wish to acknowledge the assistance of the Data Archive in providing these data.

As ONS (2011) demonstrate, surveys show that estimates of gays, lesbians and bisexuals vary from 1.1 (General Lifestyle survey, 2008) to 2.2 per cent (British Crime Survey, 2008). Internationally, they vary from 1.2 (Norwegian Living Conditions Survey, 2010) to 4.6 per cent (Vermont Behavioral Risk Factor Survey, 2002).
We do not focus on bisexuals both because related data is sparse and because, as with our homosexuals, there were few differences between bisexuals and heterosexuals in terms of labour market outcomes (results

available on request from the authors).

<sup>&</sup>lt;sup>2</sup> Smith (2011) uses the International Social Survey Program. This survey asks the following question: "what about sexual relations between two adults of the same sex, is it always wrong, almost always wrong, wrong only sometimes, or not wrong at all?"

<sup>&</sup>lt;sup>5</sup> This operationalization is apposite as IHS – like very many other large-scale government surveys – does not contain information that assesses firm performance.

<sup>&</sup>lt;sup>6</sup> All other cases are dropped – that is, non-responses, bisexuals, and "other". We do not group together bisexuals or "other" along with gays because their sexual orientation is more ambiguous.

<sup>&</sup>lt;sup>7</sup> The UK is composed of nine English regions (North East, North West, Yorkshire and Humberside, West Midlands, East Midlands, Eastern, South West, South East and London) and the countries of Scotland, Wales and Northern Ireland. The omitted region is the North East of England. The nine sectors are: energy and water, manufacturing, construction, distribution, hotels and restaurants, transport and communications, banking and finance, public administration and health, other services. The omitted sector is agriculture, forestry and fishing.

<sup>&</sup>lt;sup>8</sup> For previous applications, see: Krings, Sczesny and Kluge, 2011; Knockaert and Ucbasaran, 2013.

<sup>&</sup>lt;sup>9</sup> A p-value of 0.202 is obtained from a two-tailed two-sample test of proportions for females. For the test of proportions that corresponds to the sample of men, the p-value is highly significant at 0.0009.

<sup>&</sup>lt;sup>10</sup> Of those variables that are correlated, age is most highly correlated with household structure (i.e. home ownership, relationship status and number of children).

<sup>&</sup>lt;sup>11</sup> Full results are available on request from the authors.

<sup>&</sup>lt;sup>12</sup> Table 4 also shows that we used probit models to consider if sector or geography led to differences in entrepreneurial outcomes between homosexuals and heterosexuals. Again, the dependent variable is that used in Table 3 and we restricted the sample to sub-samples of individual sectors and locations.