

Women entrepreneurs are more motivated by social impact than money

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Entrepreneurial motivation is important to economic growth because entrepreneurs create companies that produce new products and services, which in turn, boost productivity. But we know little about what

motivates innovative entrepreneurs and how their motivations differ by gender, culture and other characteristics. A new study from researchers at Carnegie Mellon University and Columbia Business School sheds a light on the attributes that drive different types of entrepreneurs. By examining how entrepreneurs responded to motivation-related messages that involve money and social impact, the researchers concluded that women and people in altruistic cultures are more motivated by messages of social impact than by those related to money while men and people in less altruistic cultures are more motivated by messages related to money. The study was recently published in *Management Science*.

"Our results provide insights into the role of different motivations that affect the entrepreneurial process," explains Ananya Sen, assistant professor of information systems and economics at Carnegie Mellon University's Heinz College, who coauthored the study. "Understanding the impact of motivations can help firms identify and create strategies to develop competitive entrepreneurial advantage."

To determine what motivates entrepreneurs and how those motivations differ across gender and culture, researchers conducted three field experiments with the Inclusive Innovation Challenge (IIC) at the Massachusetts Institute of Technology, a [global competition](#) that helps entrepreneurs use technology to generate economic opportunity. They surveyed nearly 15,000 entrepreneurs involved with the 2019 competition, as well as entrepreneurs from AngelList, a website for startups, investors, and job seekers, and from Dunn and Bradstreet, a company that provides commercial data and analysis for businesses.

Each individual was sent a randomly assigned [social impact](#) message (related to the possible social impact of IIC projects), a money message (related to the potential financial benefits of participating in the IIC), or a neutral message focused on technology (related to the possibility of winning the IIC). The researchers interpreted individuals' responses to

the messages—from clicking on an email or website to learn more about the IIC competition to submitting applications for the competition—to determine their motivations.

The study found large and heterogeneous differences in the motivations of the respondents. Women responded more to the social impact message and less to the money message, while men responded the opposite way. The difference between the genders appeared to be driven more by their different responses to the social impact message than by their responses to the money message or the neutral message.

The study also found that people from more altruistic cultures—that is, those in which people act more prosocially, for example, in being more likely to donate to causes—were motivated more by the social impact message than by the money message. By contrast, people from less altruistic cultures were motivated more by the [money](#) message.

The results were not driven by differences in the type of company the respondent worked for, its size, or other observable characteristics, but instead, appeared to come from differences in the underlying motivations of the entrepreneurs themselves, the study concluded.

"Our findings suggest that it's important to have a broader conceptualization of the motivations of innovative entrepreneurs that focuses on motivations beyond profit, and that accounts for fundamental dimensions of heterogeneity such as gender and culture," explains Jorge Guzman, assistant professor of management at Columbia Business School, who coauthored the study. "The results can inform interventions that foster innovative entrepreneurship policies and programs."

More information: Jorge Guzman et al, What Motivates Innovative Entrepreneurs? Evidence from a Global Field Experiment, *Management Science* (2020). [DOI: 10.1287/mnsc.2020.3612](https://doi.org/10.1287/mnsc.2020.3612)

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