

Men's interest in startups increases if their spouse's career takes priority, finds study

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Leaving a corporate job to join a startup can be a difficult decision. New University of Minnesota research suggests those in dual-career households may be more willing to consider such opportunities, but



gender norms and career prioritization between spouses are factors at play.

The study, published in *Strategic Management Journal* by Carlson School of Management Professor Colleen Flaherty Manchester, Associate Professor Alan Benson, and Professor Myles Shaver examines how career priority within a dual-income household affects the willingness to join a <u>startup</u>.

The researchers surveyed more than 2,000 married managers working at corporate headquarters in the Twin Cities region. The survey posed a series of hypothetical job opportunities, which included rating the likelihood they would consider leaving their corporate job for a startup venture. They also answered whose career in their marriage took precedence. The researchers found:

- The household <u>financial risk</u> associated with quitting a stable corporate job for a startup <u>opportunity</u> posed a major deterrent for both men and women.
- Men and women who are the primary source of household income are equally unlikely to consider startup opportunities, but when they have a career-prioritized spouse, men become more than twice as likely than women to be willing to consider startup opportunities (82% vs. 37%).
- This difference between men and women suggests gender norms also affect women's considerations of leaving a corporate job for a startup.

"Unlike men, women seem to be considering more than just income risk," said Manchester. "Among managers whose spouses had the prioritized career, women were more likely than men to report familial aspects, like availability of benefits or flexible schedules, as barriers to joining a startup."



Experienced professionals often have the important skills needed to build startups. Recruiting from those living in dual-career households could be a key source of talent. The researchers suggest startups may find more success recruiting from regions where high concentrations of corporate jobs intersect with an environment that caters to two-career families.

For example, <u>women</u> in the Twin Cities have a high labor force participation rate compared to other U.S. cities. Many benefit from the income and security offered by corporate jobs. This security could serve as a catalyst for households to take risks, including joining startup ventures.

"When developing an ecosystem amenable to the startups, it does help to have support structures in place that provide more income stability and some mitigation against the risks associated with leaving a corporate job for the uncertainty of an entrepreneurial opportunity," said Benson.

More information: Colleen Flaherty Manchester et al, Dual careers and the willingness to consider employment in startup ventures, *Strategic Management Journal* (2022). DOI: 10.1002/smj.3481

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