The Entrepreneurial Leader: A Feminine Perspective Case Study

Corina Georgiana Şerban (Pătrîntaş)[1], Cristian Negruţiu[2] and Laurenţiu Tăchiciu[3]
[1][2][3] The University of Economic Studies, Bucharest, Romania.
E-mail: corinasrn@yahoo.com; E-mail: cristian_negrutiu@yahoo.com;
E-mail: laurentiu.tachiciu@gmail.com

Abstract

While in the last decades, society has switched its focus, gathered up courage and engaged more in entrepreneurship, it has been observed that the number of females in entrepreneurship has not increased. The purpose of the current study is to identify the frame of the characteristics and general choices and to propose a model that showcases the aspects that increase the chance of females to become entrepreneurial leaders. In order to do so, an analytical review has been performed on 17 articles that treat the subject. After, a case study was presented in order to provide a clear and comprehensive view of a female lead start-up. Thirdly, an interview with the female entrepreneur, CEO of the start-up was performed in order to confirm/infirm the analytical review study and propose the above-mentioned model. The findings of the current study has showcased that although women entrepreneurs bear similar characteristics to general leaders, they should also see themselves as possessing those characteristics and have a specific background in terms of studies and work experience. The present study has practical implications for the business environment in Romania that is still male dominated and unable to offer gender congruence, especially in the entrepreneurial field. By creating a model, future female leaders can relate to tangible objectives able to help them succeed.

Introduction

While the society has switched its focus, gathered up courage and engaged more in entrepreneurship, it has been observed that the number of females in entrepreneurship has not increased (Kimbu et al., 2021). The entrepreneurial leader stereotype refers to beliefs and expectations of how typical entrepreneurial leader behaves and looks like (Rudiac, Hubner and Baum, 2021). Correlated to the Big Five Personality traits described by Goldberg (1990 quoted by Chan et al., 2015, p.162) both entrepreneurs and leaders have been correlated to: extraversion, openness, emotional stability, conscientiousness, and low risk aversion. Although minor differences exist as conscientiousness was consistently correlated with leadership but not entrepreneurs, there are major similarities in their characteristics and decision-making process, that intertwine the two groups in the existing research.

The entrepreneurial leader has been most often than not integrated to the broader leadership context., and as in that field also the females are outnumbered, lack of feminine entrepreneurial leaders is a general unsurprising direction. Weather due to the historical status quo of the working field, or of a lack of prioritization in front of the family concerns, the subject has been mostly considered as a normal situation. However, the current study strives to analyze if the reason could be the difference between the self-image and the actual ideal image that women have regarding leaders, and in this specific case, entrepreneurial leaders.

The purpose of the current study is to perform a literature review in order to create the frame of the characteristics and general choices of female entrepreneurial leaders and to propose a model based on a specific case study and interview of a female CEO of a successful Romanian start-up.

1. Review of the scientific literature

1.1. The motivation to lead of entrepreneurial females

According to the definition given by Lord and Maher, leadership defines the process of being recognized as a leader by others. Leadership doesn't exist when there are no followers to look upon them, this implying a causality relation leader-follower that connects any characteristic of the leader to the perception of the follower. In this context, the Implicit Leadership Theory (Offermann, Kennedy and Wirtz, 1994) notes the existence of cognitive structures or trait schemes of the attributes that the followers expect from their leaders. In other words, the followers form their opinions firstly not due to the leader's characteristics, but because of their own expectations and how these characteristics answer to them.

In 1994 Offermann, Kennedy and Wirtz have identified a list of 8 factors (ILTs), including both positive and negative characteristics that the employees expect from their leaders. In 2004 Epitropaki and Martin have reconsidered this list, taking it down to 6 factors, but in 2018 Offermann et al. have reconfirmed his initial list, adding a 9th factor, as showed in the bellow schema. It has been by this way proven that the ILTs are time stable and that while they depend of external factors as culture and type of organization, the psychological expectations are hard to be modified. The initial list comprised: sensibility, dedication, tyranny, charisma, attractivity, masculinity, intelligence, and power. The study performed by Epitropaki and Marin has reduced the list to 6 factors, considering the "attractivity" factor unjustified and merging "charisma" and "power" into "dynamism". However, the second study performed by Offermann and Coats (2018) have re-confirmed the initial 8 factors that he has proposed, transforming "attractivity" into "well-grooming" and introducing a 9th factor: "creativity". It should be noted that in all these studies the factor" masculinity" remains stable in time, even while the gender equality ideas are well promoted in the las decades. This proves that the employees continue to expect their leaders (at least top management) to be men, or to prove characteristics showed generally by men,

Further proving the incorporation of the entrepreneurial leader to the broader leader concept, women and entrepreneurship have often been depicted as conflicting (Kalabadase et al., 2018 quoted by Kimbu et al., 2021, p.2). Women entrepreneurial leaders come to be viewed as subordinate and positioned as lacking when compared to omniscient male exemplars. Such an assumption stems from the consistent masculine norms within entrepreneurship studies and reinforces the implicit assumption that there is a singular (masculine) model of success performance (Dean and Ford, 2017 quoted by Kimbu et al., 2021, p.1).

A study performed by Schyns, Kiefer and Foti, 2020 analyses the fact that people see themselves more willing to take the lead and set direction, when they see themselves as similar to their own image, they have about how an efficient leader is. As showed above, masculinity is a criterion expected by the majority of followers, both females and males, therefore the hypothesis that women don't take leader positions (here included also the sense of entrepreneurial leader) as they don't see themselves capable to lead, giving up before even trying.
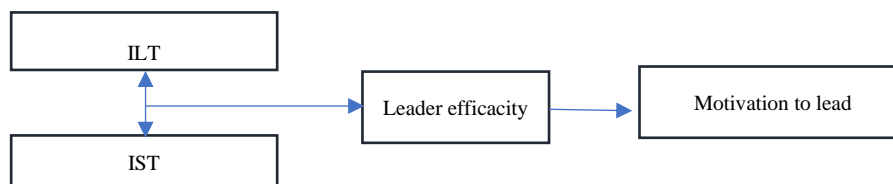
Figure no. 1. The connection between the Implicit Leadership Theory (ILT), Implicit Self Theories (IST) and the motivation to lead
Source: Schyns, Kiefer and Foti, 2020, p.3

As showed through the Social Learning Theory by Bandura (1977, quoted by Ilyas et al., 2020 p.197) individuals are capable in interpreting the contextual cues and are impacted by leaders, therefore influencing their capacity to act in a certain way. According to Schyns, Kiefer and Foti (2020) in order to want to lead, a person should consider herself capable to do so, women being less inclined to do so due to the historical perception, their priority that shifts towards family as well as due to the negative reactions that they continue to cause.

1.2. Females in leadership and entrepreneurial leadership: obstacles and successes

Even if the educational system has much advanced in the last years, the education being equally granted in the biggest part of the world, the gender difference continues to be an obstacle against females taking the lead, advancing to top management positions, or pursuing entrepreneurial activities. More than this, their difficulties do not end once the role was obtained, being showed that they are less liked than men (Heilman

and Okimoto, 2007, quoted by Vial, Napier and Brescoll, 2016, p.400). Penal and social fees are more often applied to women in authority positions (Rudman, 1998, quoted by Vial, Napier and Brescoll, 2016, p.400), and they are generally less accepted or wished as leaders.

The well-known syntagm "think leader, think male" was countless times proven by the research performed. In 1973 Schein, quoted by Kark, Waismel-Manor and Schamir, 2012, p.621 noted that the ideal leader possesses qualities considered as masculine, as self-trust, independency, assertiveness, dominance, and rationality. The characteristics considered to be feminine were named irrelevant, and even antithetical to leadership or managerial success. In equal manner, the entrepreneurial leader is described by Rudic, Hubner and Baum (2021, p.5) as being "young, tough, extroverted and confident risktakers, focused on entrepreneurial success, to have good communication skills and to be able to persuade others to follow their ideas and vision". The description implies a masculine beholder of these characteristics.

Other studies consider that the resistance towards females in leadership positions is due to gender stereotypes, as women are not viewed as powerful as men, nor as competent. The difference could be explained by the penalizing reaction that people have towards any discordances regarding the traditional rules and expectations (Moss-Racusin, Phelam and Rudman, 2010). As Vial, Napier and Brescoll (2016) have showed, due to female lack of legitimacy, a series of consequences could appear increased negative behavior toward the leader, a reduced cooperation, decreased psychological wellbeing of the leader as a rection to the environment factors, aggressive leader behavior or tentative leader behavior (that gives authority to those around).The below model presents the auto-consolidated cycle of illegitimacy of the feminine leader developed by Vial, Napier and Brescoll in 2016.
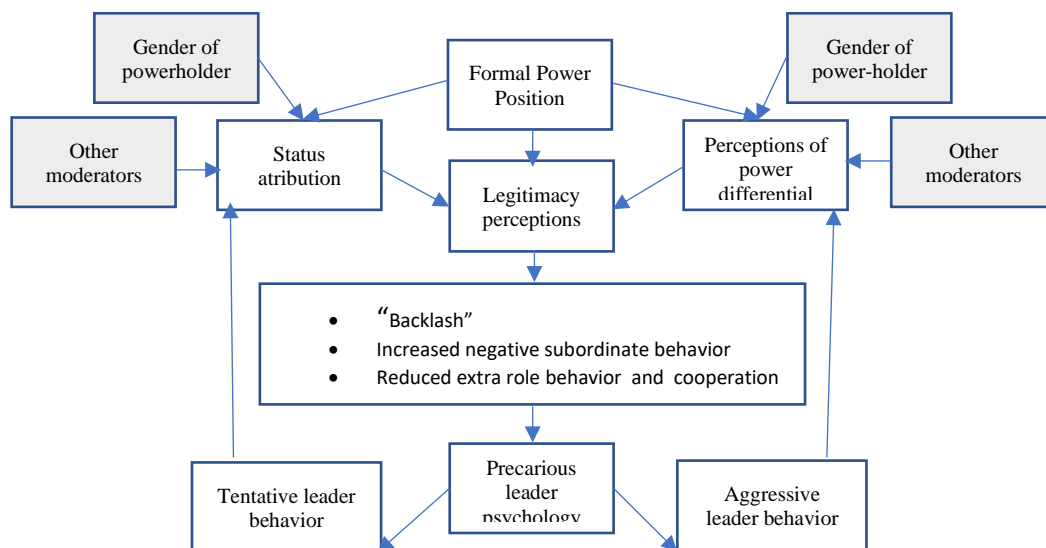
Figure no. 2. The auto-consolidated cycle of illegitimacy of the feminine leader
Source: Vial, Napier and Brescoll, 2016, p.401

The above model places the negative reaction against feminine leaders as a result of the legitimacy perception. As the entrepreneurial female leader is considered similar to the business leader both in characteristics, expectations and visibility, the model applies through a similar model to the entrepreneurial females. Kark et al 2012 have mentioned that recent studies have become more opened to feminine attributes, and that feminine characteristics have started to be associated to the business success. Therefore, in order to be successful in a highly changing environment, les hierarchical and more flexible, leaders should know to collaborate, to show openness, interpersonal sensibility and empathy and to invest time and effort in employee development, attributes that can and will coexist successfully with those considered more masculine based on power and success oriented. However, women come with their own specific tangible benefits in any business they lead. As showed by Gangadharan et al., 2019, they have a different decisional process than men, they tend to prioritize expenses for social welfare and public services, they take long term decisions, are less prone to corruption and they react more often in case of injustice of unethical behavior. Brescoll (2016) has suggested that women in authority positions can be penalized even for minor moments that show emotion, especially when showing dominating emotions as anger and fury, but in the same manner those women that strive to show no emotion are equally penalized being perceived as uncapable of warmth and empathy. More than this, the attention given to the rules of showing emotions directly impacts the efficiency of the female leaders, decreasing their chances to succeed.

The answers of those around in front of women in authority positions, including employees, clients and other stakeholders are important, as in front of negative reactions women tend to become less motivated and less courageous, therefore directly influencing their chances to succeed. According to the study of Gangadharan et al. (2016) men contribute less to the wellbeing of the group when they are led by a woman. The reason is not connected to the capabilities of females to lead, but to the social stereotypes that make men to feel obliged to cooperate more with other men than with women. More than this, women that dear to take the lead are directly under the scrutiny of those around, that think that these positions are identified with masculinity and ready to penalize them for much less than in case of a male leader.

According to a study based on interviews with female CEOs and businesses owners published in Fortune 500 magazine, that tried to identify those characteristics that lead to success, included: having families that accentuated education, respect of women and hard work, having studies in sciences mathematics or engineering, having an evolution based on independence and challenges, having their own idea of what a leader means as well as a set of common characteristics, such as courage, assuming risks, resilience and the capacity to face ambiguity (Spencer, Blazek and Orr, 2019). Another thing that resulted from the study was the need to overmount the idea that women have to renounce having a family in order to obtain success.

According to Bagheri (2017), in case of entrepreneurial leaders' personal competencies are those that enable them to envision success and develop an innovative vision, while their functional competencies are those that inspire performance and convince those around to extend their support. Therefore, in case of female leaders, while personal competencies differences do exist although more in a positive manner than negative, as described above, regarding the professional differences there is no differentiation in most of the countries that grant gender equality in education. The statistics show that women obtain more diplomas of all study stages than men, with the exception of MBAs and they have adequate experience needed in entrepreneurship as they occupy 50% of middle management position in organizations (Spencer, Blazek and Orr, 2019).

To conclude, individuals are more likely to emerge and succeed as leaders if they demonstrate characteristics consistent with the expectations of those around them (Ute and Saurav, 2016), namely in entrepreneurship, the image female leaders hold in front of investors, customers, suppliers and their acceptance of them, directly impacts their chances to even try to succeed while the characteristics of successful female leaders are similar to those needed to strive in entrepreneurship.

2. Research methodology

To demonstrate the findings from the literature, we have chosen a successful Romanian start-up, called Bankata, founded and led by a female entrepreneur, Diana Seredenciuc. In the first part, it is presented the start-up as a case study in order to provide a clear and comprehensive view of a female lead start-up.

Then, in the second part, we will discuss the results of the semi-structured interview held with the founder. Through the phenomenological study method, the authors have drawn on observations from the lived and perceived experience of the interviewed person. The information was used in order to perform an analysis in order to understand if the particular female leader possesses qualities or views similar to those of the female leader identified through the literature review performed above.

3. Results and discussion

3.1. Case Study: Bankata – a successful Romanian start-up founded and led by a female entrepreneur

Bankata is a digital financial comparison platform. As a well-known analogy, like the booking.com for banks. The start-up tries to analyze and compare as many financial products as possible, and the main goal is to help Romanians find the products best suited for their needs.

When looking for a financial solution, price might not always be the main factor consumers look at. Therefore, Bankata analyses the entire offer on the market and find all the benefits but the also the shortcomings, thus helping consumers to make the best decision. Customers compares easy and free of charge all the products on Bankata and applies for the one they like most. Bankata sends the lead to the bank and in exchange the bank pays back a fee. Therefore, we can say that it's a win-win situation for everyone involved. Consumers find the best product easy, online and free of charge; banks receive qualified hot leads with a performance-based payout.

Table no. 1. Problem/Solution matrix for Bankata

| Category	Problem	Solution
Consumers	There is no one-stop solution on or offline for all financial products, making finding the right product at the right price both difficult and time consuming There is no independent platform for financial advice Lack of information means customers often choose the wrong product for their needs	By using the comparison tables, consumers save time and money in finding the best products for their needs Consumers receive independent advice from a trusted source Conveniently access a wide variety of financial and mobile/broadband products in one place
Financial institutions	Current incentive structures of providers, result in poor-quality customers, often taking out unsuitable products Acquiring new customers is an expensive process, but value is limited given impulse driven market Competitive market means ever increasing customer acquisition costs, but with decreasing value from those customers	Providers lower their acquisition cost Increase their conversion rate Improve customer quality and retention Reach massive numbers of new consumers Gain valuable market insights Grow sales at unprecedented rates Success-based reward structure

At a global level, comparison sites are proven to be one of the most influential factors when choosing financial products. A survey done by Google reveals that consumers put almost the same level of trust into comparison sites, as for family and friends.
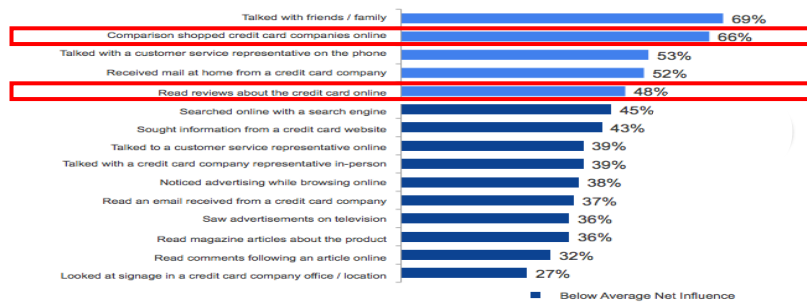
Figure no. 3. Survey on most influential sources for credit card shoppers
Source: Google survey

At the Romanian level, there is currently a very good opportunity to launch such a comparison site. First of all, the financial education is at very low levels. Apart from few specialists, most of the Romanians are not aware of basic financial products, like credit cards, not to speak about more sophisticated ones, like investments. The good news is that financial education has been gaining popularity and a lot of people are now being concerned about their finances in a more professional way and eager to learn more about diversifying their portfolios. The business model of Bankata is presented in Figure no. 4.
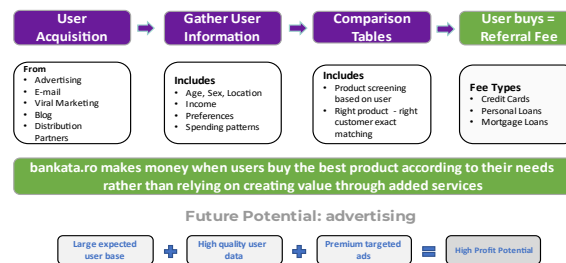
Figure no. 4. Bankata Business Model
Source: Company data

4.2. Interview with Bankata Co-founder and Chief Executive Officer (CEO)

Bankata was founded by two ambitious entrepreneurs, Diana Seredenciuc and Andrei Perianu. Diana serves as CEO, while Andrei is dedicated to business development and both have significant financial experience, gained in Romania and abroad. Since the subject of the article is female entrepreneurship, we will focus our research on Diana. To this end, we have interviewed her to get more personal details, but also insights about leadership style and what motivates her as an entrepreneur.

The interview consists of ten open questions, without any pre-determined answers. Table 2 presents the questions, as well as Diana answers in her own words.

Table no. 2. Interview with Diana Seredenciuc - CEO of Bankata

Question	Answer
What studies have you followed?	I have graduated from Bucharest University of Economic Studies – Environmental Economy
Are you married? Do you have children?	I am not married and do not have children
What experience do you have before entrepreneurship?	I have been active in the financial industry since 2007. I have been in stock brokerage, private banking, treasury and also part of the founding team members of a similar startup as Bankata in Singapore.
How did the idea of becoming an entrepreneur come about?	After moving back from Singapore in 2018, I have realized that the financial products in Romania have become more and more complex with banks launching various lending products, different current accounts and having more competitive offers while at the same time the retail consumers being deeply underserviced in branches. I decided to bring the private banking advisory services to the average consumer through a digital approach.
What qualities do you think a leader should have?	A leader should be trustworthy and able to inspire people. He/ she should also have clear messages and make complex ideas easy to understand for everyone.
What qualities do you think an entrepreneur should have?	The more I think about it, the more I realize I want to say the same qualities as for the leader. An entrepreneur should be a strategic thinker, with great risk management skills and constant forward planning. He/she should be open to feedback and have great communication skills.
What qualities do you think you have?	My investment background has shaped me into an analytical person. I know how to manage risk while evaluating possible returns. I believe growth and improvement comes from teamwork, constant feedback and being open to new ideas. The key to success in everything you do is learn, learn, learn :).
Do you consider that the woman in the position of superiority has different characteristics from the men in the position of superiority?	I don't believe we make decisions based on our gender, but more based on our personality, past experience and the mentors we have chosen throughout our career or life.
Do you have any other women on the team?	We currently are a team of 7, 3 women and 4 men.
What do you think of women leaders?	I love the fact that the number of female founders has grown incrementally in the past couple of years, especially in the Eastern Europe landscape. We should not be evaluated based on gender but based on our performance. Globally, we see many examples of women CEOs in largely male dominated industries that thrive and deliver great results such as General Motors, Oracle, Citigroup, AMD, Occidental Petroleum and the list can go on.

Conclusions

Through the analyses of the case study and answers to the interview, in comparison with the information of the analytical review, the current study shows that the female entrepreneurial leader interviewed shares similarities with the findings within the international literature review of female leaders in entrepreneurship or business environment. The background in economics is confirmed as a field of study able to create future businesswomen, the previous experience in the field of activity of the start-up, could also be underlined as a success element. Moreover, Diana Seredenciuc has gathered inter-cultural experience, by working in an environment developed and different that the Romanian one, where she could be exposed to new products and ideas, being able to further develop her way of thinking as well as her resilience.

Through the analysis of the answers, it can be concluded that the CEO considers of upmost importance the background that she was able to form in the last 15 years. The fact that she maintained the same field of activity – financial- (stock brokerage, private banking, treasury) was able to create the expertise and experience needed in order to come up with new ideas and to have the courage to act upon them. Also being previously part of a team that has founded the same type of Start-up, has increased the exposure to the entrepreneurial field, and created a precedent that was more easily replicated as exposure to similar experience and reactions existed.

As an entrepreneurial leader, Diana Seredenciuc considers that what differentiates her are her analytical thinking and her capacity to face risk and evaluate possible returns. These two characteristics comply with that of the leader and entrepreneur described by Goldberg (1990 quoted by Chan, 2015, pp 162): consciousness and low aversity to risk. Also mentioning always being willing to learn and being opened to sharing ideas and appreciating teamwork, can be addressed as related to the Goldberg characteristics of openness and extraversion. Although from the answers no information could be drawn regarding the emotional stability, by analyzing her inter-cultural working experience, as well as the current field of work that is considered to be more of a "a men world" can be concluded that she has proven the resilience, and therefore emotional stability needed in order to success as both entrepreneur and leader.

Regarding her view of the ideal leader and entrepreneur characteristics, the CEO underlines the fact that she considers them as the same, going from strategic thinker, with great risk management skills and constant forward planning. He/ She should be trustworthy, with great communicational skills and able to inspire others. As described above she used similar characteristics to describe herself, therefore confirming Schyns, Kiefer and Foti, 2020 theory of congruence between the Implicit Leadership Theory (ILT), Implicit Self Theories (IST) and the motivation to lead. In conclusion, a woman should see herself as having similar characteristics to the ideal leader that she envisions in order to be willing to step in the leadership arena.

Through the answers, it can also be concluded that in order to be willing to step as a female leader, women should believe in gender equality and the capacity of women to step in male dominated roles. As noted by the CEO, women make decisions based on personality, previous experience and contact to mentors, and not due to gender related aspects. Also, in the team that she formed it can be observed that gender congruence is of upmost importance (3:4 female/male ratio).

Therefore, taking into account the above-mentioned conclusions as well as the literature review findings, the current study proposes the bellow model, that describes the characteristics that increase the chance of female to become entrepreneurial leaders:

1. Should have personal traits in congruence with those of leaders, such as: low risk adversity, strategic thinking, openness and emotional stability.

2. Superior studies in economic field are helping.

3. Previous experience in the same field as the entrepreneurial venture on extended periods in order to gather needed expertise and to build confidence.

4. Personal characteristics identification to those of the perceived ideal leader.

5. Having gender equality concept.

The present study has practical implications for the business environment in Romania that is still male dominated and unable to offer gender congruence, especially in the entrepreneurial field. By creating a model, future female leaders can relate to tangible objectives able to help them succeed.

The study has the following limitation (a) limited generalization as it is limited to a case study and in-depth interview that is unable to represent the sum of all female entrepreneurs' opinions, but a particular success model, (b) limited access to female leaders as through entrepreneurs associations the number of females entrepreneurs in comparison to male entrepreneurs was almost non-existent and (c) the possibility that the author's own opinions influence the results interpretation.

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