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authored by **Robert MacGregor & Lejla Vrazalic © 2007, IGI Global**

Chapter IX

The Role of Gender in E-Commerce Adoption: Does Having a Male or Female CEO Affect E-Commerce Use?

One question that inevitably seems to be raised in most areas of business research is the question of gender. The literature is full of studies comparing males to females across everything from ability in mathematics to coping with stress in the workplace. The area of SMEs is no different.

The past 20 years has seen a shift away from the traditional male-dominated economy that centred on manufacturing, toward a more service and retail-based economy that has seen a substantial increase in the participation of females (Cox, 1999; Teltscher, 2002). Not only has there been a rise in the participation of females in the workforce, but the advent of affordable technology has led to a more flexible method of work and a greater global participation by the workforce. A number of studies (Singh, 2001; Teltscher, 2002) have concluded that, compared to the 1990s, there is a more equitable makeup of the workforce particularly in the SME sector. This includes both an increase in the overall level of participation by females as well as increases in the ownership/management of SMEs by females. A number of studies have explored potential determinants of Internet use and found gender to be an influential variable in predicting this use (Butler, 2000; Sexton, Johnson, & Hignite, 2002). Others have developed frameworks to explain gender differences in Internet use and online behaviour (Rodgers & Harris, 2003). In this chapter, we will examine the role of gender in the general ownership/management of SMEs and then consider its role in the adoption and use of e-commerce.

Background

Perhaps an appropriate opening preface to this section should be the observation by Baker, Aldrich, and Liou (1997) and Carter (2000) that research into gender differences in the ownership/management of SMEs is scarce by comparison to research that has examined SMEs in general. However, that having been said, there are a number of interesting findings in the literature that compare various facets of gender differences in the ownership/management of SMEs. These facets include comparisons of ownership/management statistics and reasons for the movement into the SME sector, finance availability, management style, networking, business types, and success or failure of the business.

Previous research (Brooksbank, 2000; Carter, 2000; Reynolds, Savage, & Williams, 1992) has suggested that the primary motivation for moving into the SME sector is the desire to become self-employed. An examination of the UK labour force figures for the 1990s (Labour Force Survey 1990-1999) shows that while the growth in self-employment in males was 4.73%, the growth in self-employment in females was 19.06%. Studies by Nillson (1997), Brush and Hisrich (1999), and Sandberg (2003) have provided similar figures in Europe, U.S., and Scandinavia.

While early studies (Goffee & Skase, 1985; Hisrich & Brush, 1986; Watkins & Watkins, 1984) concentrated on the motivational similarities (Male vs. Female), studies by Brush (1997), Buttner and Moore (1997), and Carter and Cannon (1992) found that females saw becoming self-employed within the SME sector as a means of circumventing the "glass ceiling."

The growth in the SME sector coupled with the rise of the number of women entering the IT sector has triggered several new research studies in relation to access to finance, management style, alliances, and IT use.

Some of these studies (Carter, 2000; Rosa, Hamilton, Carter, & Bums, 1994; Sandberg, 2003) have examined gender differences both in the acquisition of finance as well as the use of that finance within the SME. A study of 600 UK SMEs (Carter & Rosa, 1998) found that males were more likely to make use of bank loans and overdrafts than females. Indeed, females were less likely to use or rely on financial institutional arrangements including cheaper sources of finance such as extended supplier credit than were their male counterparts. This same study found that female owner/managers used less start-up capital (33%) than males, resulting in fewer employees and long-term disadvantages in terms of their business being able to grow.

Not only has the use of finance been shown to differ between males and females, a number of studies (Carter, 2000; Carter et al., 1998; Fay & Williams, 1993; Fletcher, 1994; Koper, 1993; Rosa et al., 1994; Sandberg, 2003) have shown that the ability to access finance often differs between male and female owner/managers. Many of these studies have concluded that while financial institutions may have a non-discriminatory policy, the application of those policies often prejudice against women through stereotyping.

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