



BREAKING BARRIERS:

**OVERCOMING BIAS IN
THE WORLD OF FEMALE
ENTREPRENEURSHIP**



The impact of unconscious bias and stereotypes on the perception and treatment of female entrepreneurs

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Introduction

You'll quickly recognise certain well-known names, such as Steve Jobs, Bill Gates, and Warren Buffet, if you research famous and successful entrepreneurs. You will need some patience to view a woman entrepreneur, such as Oprah Winfrey, Martha Stewart, or Mary Kay Ash. The general trends of gender disparity in entrepreneurship are reflected in this.

Around the world, there are more women launching their own businesses, yet many of them still encounter major barriers. Naturally, it is simple to think that there is a big gender discrepancy, because people often assume biased gender stereotypes.

In recent years, the term 'unconscious bias' has gained a lot of attention, because it refers to the external, uncontrollable forces that affect our decision-making. Previous research has demonstrated how this bias has resulted in mistaken judgements about race, gender, and even other variables.

This research will first analyse the gender role expectation and impact, before discussing the general performance of women and med-owned businesses. Lastly, there will be arguments towards what can be done to find a solution to this problem.

Women's entrepreneurship is becoming increasingly vital for producing new employment and contributing to societies' social and economic prosperity, however the interaction and intricacies of women's entrepreneurship and culture are currently understudied. [1]

Nevertheless, it is evident that women not only, are not represented in leadership compared to men, but they also face difficulties that their male counterparts do not. In particular, cultural and societal biases form a substantial difficulty for women to fully succeed as entrepreneurs.

The Gender Role Expectation and Impact

Many of the limits and challenges that women entrepreneurs face are gender specific and arise from cultural beliefs, conventions, and practises. Culture is a multi-layered construct that includes an exterior, global layer that penetrates a society's indigenous levels before becoming a set of shared values inside groups. Understanding cultural systems is essential for moving leadership research forward in many situations.[2]

[1] Bullough, A. et al. (2021) Women's Entrepreneurship and Culture: Gender Role Expectations and identities, societal culture, and the entrepreneurial environment - small business economics, SpringerLink. Springer US. Available at: <https://link.springer.com/article/10.1007/s11187-020-00429-6> (Accessed: January 31, 2023).

[2] Ibid.

Cultural indicators are distinct ideas, practises, and expectations that exist within a society and influence societal culture. This, as well as the entrepreneurial environment in which enterprises are created and function, have an impact on women's entrepreneurship. Gender equality, gender role expectations, and the entrepreneurial ecosystem are understudied cultural elements in women entrepreneurship.

Social conventions and expectations are deeply ingrained in any society, and views toward entrepreneurship reflect, at least in part, subjective impressions that are susceptible to prejudice. Traditionally established gender roles within the home place the majority of housekeeping and family obligations on women, while men support financially for the family by working outside the home.[2]

Even from a young age, children absorb gender stereotypes, and by the time they reach puberty, most individuals have a firm awareness of the features and qualities associated with both sexes. These prejudices are thought to be important social influences that justify and perpetuate occupational sex segregation.[4]

Women who create enterprises are frequently labelled as "mumpreneurs", "fempreneurs", and even "lipstick entrepreneurs".

The very existence and continuous use of feminised portrayals of business contributes to the idea that entrepreneurship is primarily a masculine domain. Stereotyping has an effect.[5]

According to research, women frequently face bias as a result of expectations of female leadership styles and views of how they lead in practise. According to role incongruity theory, individuals frequently encounter inconsistencies between their conceptions of leadership and their feminine gender role expectations. This leads to discrimination when women are seen less favourably than males as potential leaders because traditional gender roles behaviours are conflicting with leadership qualities.[6]

This kind of gender-role stereotyping occurs when males are more respected in corporate leadership roles because they are seen to possess the masculine attributes required for leadership and are connected with high-growth entrepreneurial initiatives, whereas women are associated with low-growth businesses. This is especially true and reinforced in circumstances where males outnumber women in positions of leadership and business.

[3] Ibid.

[4] Gupta VK and others, "The Role of Gender Stereotypes in Perceptions of Entrepreneurs and Intentions to Become an Entrepreneur" (2009) 33 Entrepreneurship Theory and Practice 397.

[5] "Shattering Stereotypes: Women in Entrepreneurship" (Centre for Entrepreneurs April 26, 2019) <<https://centreforentrepreneurs.org/cfe-research/shattering-stereotypes/>> accessed January 31, 2023. (Accessed: January 31, 2023).

[6] Bullough, A. et al. (2021) Women's Entrepreneurship and Culture: Gender Role Expectations and identities, societal culture, and the entrepreneurial environment - small business economics, SpringerLink. Springer US. Available at: <https://link.springer.com/article/10.1007/s11187-020-00429-6> (Accessed: January 31, 2023).

To compensate for some of these problems, women have evolved sharp talents in transitioning between multiple gender and leadership identities and styles depending on the circumstance, which allows them to further strengthen their relationship building and diplomatic skills. [7]

As entrepreneurship has already been coined with the bias that it is very male-dominated, it is no surprise that women adapt traits such as the "masculine ethic" which promotes characteristics like a hard-headed attitude to challenges, analytical skills for abstract thought and planning, the ability to put aside personal or emotional considerations, and the freedom to utilise superior cognitive reasoning when making decisions. [8]

Even in men and women with comparable education and experiences, gendered preconceptions linked with entrepreneurship might have a negative impact on intentions. In other words, due to devious and complicated mechanisms founded in culturally created and socially learnt preconceptions, men and women appear to choose to engage in a system of self-imposed occupational segregation in entrepreneurship. [9]

This is due to job roles being made available because of education, circumstances, and imagination, and the loss of identity is a major factor in perceptions of social segregation based on gender and work roles. [10]

Due to gender identity in the market and a lack of accessibility, economic, and political networks, the practise of entrepreneurship signifies a segregation of labour roles, especially for women. Additionally, social segregation based on both gender and socially created entrepreneurial positions is a significant difficulty brought on by the gendered market and corporate identity alienation. [11]

This is a severe issue concerning the UK economy, because **if women launched firms at the same rate as men, the UK would have one million more entrepreneurs.** [12]

The fact that this is not the case in reality, is often down to fear of failure or battling stereotypes, which can be linked back to the cultural values that society continues to give to young women.[13]

Entrepreneurship is a sector that can create the most new employment and drives virtually all the growth in the UK economy. It is still very apparent that even though the numbers of women in entrepreneurship is increasing, there is definitely more that can be done to eliminate the unconscious prejudice - and even outright sexism - from entrepreneurship. [14]

[7] Bullough, A. et al. (2021) Women's Entrepreneurship and Culture: Gender Role Expectations and identities, societal culture, and the entrepreneurial environment - small business economics, SpringerLink. Springer US. Available at: <https://link.springer.com/article/10.1007/s11187-020-00429-6> (Accessed: January 31, 2023).

[8] Kleinrichert D, "Gender Issues in Entrepreneurship" [2013] Handbook of the Philosophical Foundations of Business Ethics 1155.

[9] Gupta VK and others, "The Role of Gender Stereotypes in Perceptions of Entrepreneurs and Intentions to Become an Entrepreneur" (2009) 33 Entrepreneurship Theory and Practice 397.

[10] Kleinrichert D, "Gender Issues in Entrepreneurship" [2013] Handbook of the Philosophical Foundations of Business Ethics 1155.

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[13] Ibid.

[14] Ibid.

Performance of Female vs Male Owned Enterprises

Without doubt, self-employed men outnumber self-employed women by a significant margin. In the European Union, women account for around one-quarter of those self-employed and one-tenth of firm owners. While the number of women working for themselves has increased in recent years, their overall proportion of the industry has changed very little since 1992. [15]

Women-owned enterprises' operational characteristics also reflect generic feminised working patterns that accommodate caring obligations alongside their economic activities.

According to the available data, almost half of self-employed women work part-time (less than 30 hours per week) and around one-third run their enterprises from home. Men, on the other hand, represent their stereotyped job profile with substantially lower proportions of part-time and home working, 18% and 24%, respectively. [16]

Essentially, this shows how **women, even though dealing with multiple things at once (e.g., a leadership role in a company, while taking care of children and the household), are still being underestimated in the workplace.**

This contributes to the stereotype that women might not be suitable enough for a leadership position, because of other obligations.

The impact this has, is that in the current society we live, women need to choose between a career and a family, which a man does not. The cultural bias society has created is likely a factor that has led to less women wanting to give up the opportunity of a family which results in fewer women in entrepreneurship.

One other rather positive aspect of women entrepreneurs however, is that in male-dominated fields, female founders serve as role models for their female workers. Female founders who are able to shatter gender preconceptions appear to have an impact on the career choices of their female workers, particularly those who have had little interaction with entrepreneurs. Furthermore, if the female entrepreneur and employee have comparable backgrounds, this impact is amplified. These findings support the importance of social contacts at work and provide innovative approaches to encourage more women to establish their own businesses. [17]

Hundley (2000) presents unambiguous evidence that women without children outperform males in terms of incomes, based on an econometric examination of self-employment returns. As a result, "the presence of young children and increased housekeeping have a detrimental influence on female incomes."

[15] Marlow S and McAdam M, "Gender and Entrepreneurship" (2013) 19 International Journal of Entrepreneurial Behavior & Research 114.

[16] Ibid.

[17] Rocha V and Praag M, "Mind the Gap: The Role of Gender in Entrepreneurial Career Choice and Social Influence by Founders" (2020) 41 Strategic Management Journal 841.

Because of market limits or owner inclination, the majority of enterprises (independent of owner qualities) display a "lifestyle" profile; they start and stay small. Consequently, as has been extensively shown in the literature, the majority of small businesses are price takers with a limited market share; they are unlikely to see quick or sustainable development in sales, earnings, or employment. As a result, they are marginal in the sense that they begin tiny and remain so for the remainder of their existence, making them more exposed to market shocks than their bigger counterparts. [18]

Even among those enterprises that do enjoy quick development, the majority will eventually fall and return to the sector average. [19]

Additionally, the small company sector as a whole is characterised by high levels of turnover and unpredictability. Exploring these issues in depth, Storey (2011) provides evidence that the accrual and appropriate application of entrepreneurial resources such as human capital, learning, and networking activities has only a marginal influence on firm performance (as measured by growth in sales, turnover, employment, and market share, for example).

Rather, in moulding the survival and future success of most small enterprises, the mix of entrepreneurial desire, opportunity, and chance in the context of current market conditions is more important. [20]

Looking at this argument again, we have one performance image of the typical female-owned business - small, marginal, and constrained - and one of the average small firm (regardless of owner characteristics) - small, marginal, and constrained.

It is perplexing that women-owned businesses are singled out as underperforming when, for the most part, they appear to mirror the norm.

Gender is not a good predictor of variance in small company performance, which begs the question of why this belief is still held.

Such persistence, we argue, is symptomatic of the **widespread and subtle gendered biases visible in the entrepreneurial sphere, which research efforts are unlikely to uncover in the absence of a more robust reflexive epistemological criticism.** [21]

[18] Marlow S and McAdam M, "Gender and Entrepreneurship" (2013) 19 International Journal of Entrepreneurial Behavior & Research 114.

[19] Ibid.

[20] Ibid.

[21] Ibid.

What can be done?

Although women make up almost half of the population of working age, they are still underrepresented in various leadership roles and vocations, which also affects how many women start their own businesses. For the majority of enterprises, the Covid-19 pandemic provided a comparable setting and set of difficulties because it was unprecedented in our lives. The customary allocation of domestic duties within homes (including child and elder care and home-schooling) along conventional gender lines, as well as government policy measures mandating school and company closures, led to a disproportionate disadvantage for women entrepreneurs. Most of these factual information stems from the experiences of women in Western developed societies, even though female business owners may have even greater difficulties in emerging countries with strong patriarchal systems. Future studies using qualitative methods may be especially useful in examining the gendered experiences of women business owners and the effects on their companies in various national contexts, particularly in developing countries. [22]

Consideration of gendered national circumstances and related policies might lead to arguments that cast doubt on widespread beliefs about the benefits of entrepreneurship for women. For example, dominant neoliberal and postfeminist theories argue that women should grab entrepreneurial chances while being disproportionately bound by gendered structural difficulties.

To improve the gender bias and cultural expectations, it is important that early on, there are blind evaluation processes, such as work sample tests and neuroscientific testing of an applicant's aptitude and abilities. Although blind assessment is still a highly conservative method of recruiting in the UK, there are examples of businesses who are effectively utilising it, such as Nubank (a fintech company). Despite the usage of the blind evaluation by UK-based businesses, this method of selection still requires caution and attention, as well as the implementation of corporate rules that respect and value of diversity. The training of recruiters is another crucial factor because they frequently conduct candidate interviews as part of blind procedures. Blind review will not be effective if recruiters still have an established, prejudiced opinion of the profile for the role. Therefore, it is important to consider whether our society is now prepared for various selection procedures and, most importantly, for coping with variety. [23]

Additionally, according to a Unilever study, both men and women struggle to recognise workplace gender discrimination and improper behaviour (most likely sexual harassment). [24]

67% of women reported feeling pushed to get over improper behaviour. And, according to the majority of women (64%) and slightly more than half of men (55%) who witnessed this behaviour, said that men do not confront each other.

[22] Mustafa M and Treanor L, "Gender and Entrepreneurship in the New Era: New Perspectives on the Role of Gender and Entrepreneurial Activity" (2022) 12 Entrepreneurship Research Journal 213.

[23] HR Consultant UK (What is blind evaluation and how does it work?) <<https://hrconsultantuk.co.uk/what-is-blind-evaluation-and-how-does-it-work/>> accessed February 6, 2023.

[24] Fuhl J, "10 Ways to Eliminate Gender Bias in the Workplace" (Sage Advice United Kingdom September 8, 2022) <<https://www.sage.com/en-gb/blog/eliminate-gender-diversity-workforce/>> accessed January 31, 2023.

Hence, there is a need to create a clear, fair, non-retaliatory discrimination policy that allows workers to remark on or report unacceptable workplace behaviour and ensure that everyone is aware of and understands the policy. [25]

If policies and ideas like this are implemented into the workplace and into academic institutions even, it could help to unravel the social construction of cultural biases and stereotypes from a young age. Consequently, it might be more likely to see more female entrepreneurs in the future as they won't need to battle with as much difficulties as in the present and past.

Conclusion

To conclude, there is no denial of the disparity shown in the unconscious bias shown between female entrepreneurs and their male counterparts.

This is evident through cultural beliefs and conventions, that has created a foundation in establishing and enforcing traditional expectations women must abide to in addition to pursuing a career within entrepreneurship. Upon the foundation of traditional norms, women will face more barriers including the gender stereotypes that will have their leadership qualities questioned or with occupational segregation - will limit their ability to work within specific occupations deemed as 'male-oriented', even with similar levels of education and experience.

Moreover, the issue of bias puts into question the issue of gender when assessing performance, as women-owned businesses are deemed as inferior in their performance; despite their figures mirroring their counterparts - this further emphasises the underlying bias in the entrepreneurial world and the urge to resolve this.

To research and acknowledge the unfair bias against women without action is unjust to women entrepreneurs around the globe. The implementation of blind evaluations during an, for example, application process will assist in breaking down initial prejudiced rejections against women - however, this still poses some problems as recruiters may still keep a prejudiced view on an applicant's profile for the role. Within the workplace, policies that encourage both genders to speak up against improper behaviour must be implemented to undo the cultural bias and stereotypes built within organisations.

As a society, it is down to each individual to re-distribute the responsibility held upon women as a 'mother', to reject unfair prejudice against others and to responsibly speak up against discrimination in the workplace and outside - ultimately, reaching a position where both women and men can call out unjust policies and behaviour without fear of any repercussions.

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