

Thinking about starting a new business? Female entrepreneurs will face more obstacles than their male counterparts

Submitted by: BlueSky Public Relations Ltd

Tuesday, 23 July 2019

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Women face more obstacles when starting a business, meaning they need more support in order to succeed, reveals new research from ESCP Europe.

Females and males experience the support provided by the ecosystem for their start-up activities very differently. Women in contrast to men tend to majorly rely more on social support, which interestingly applies to start-ups in both highly supportive as well as non-supportive environments.

Professor of Management Christian Linder and his co-author Sonja Sperber from the ISM International School of Management in Frankfurt (Germany) explain

“We found that when starting up a new business, women face problems with confidence and obtaining finance, and are more critical about their own capabilities and skills. In order to still be successful, this lack of confidence is compensated by mobilising their network for support. However, in contrast, males are more confident of their capabilities to overcome support constraints on their own.”

In addition, it was found that women face a work-family conflict, and struggle more to counterbalance their different roles when committing to new business ventures.

Professor Linder adds,

“starting a business is always linked to emotional or psychological stress. When facing a lack of resources, social support can serve as a source of information as well as provide assistance.”

As a result, the start-up strategies chosen are a reflection of the individually perceived support from the ecosystem, the current life situation as well as the intended goals (as for example, high level of autonomy, financial success, status). This research shows the highly complex situation of female entrepreneurs, and concludes that there certainly is a need for stronger, sustainable foundations so that females can catch up with their male counterparts.

This research was published in ‘Small Business Economics: An Entrepreneurship Journal’.

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