

Women entrepreneurs have limited chances to lead their new businesses

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Women who start new businesses with men have limited opportunities to move into leadership roles, according to sociologists at the University of North Carolina at Chapel Hill; and when they co-found a business with their husbands, they have even fewer chances to be in charge.

The study, published in the April issue of the *American Sociological Review*, comes on the heels of a recent debate about businesses with all-male boards of directors and adds to a growing body of knowledge that documents women's limited access to [leadership roles](#) in the business world.

"This work raises awareness of the conditions that limit women's access and also makes us aware of what might be done to increase the likelihood that women will attain positions of authority," said Tiantian Yang, a graduate student in the department of sociology in UNC's College of Arts and Sciences who led the study.

Yang and Howard Aldrich, Kenan Professor of Sociology and chair of the sociology department, wanted to explain [gender inequality](#) in new businesses because previous research has mostly examined the issue in established organizations. Such firms often have well-established bureaucratic procedures for hiring and promotion, whereas startups must build systems and structures from scratch. Their study is one of the first to explore the emergence of [gender roles](#) in new businesses.

The researchers used a nationally representative sample of 362 mixed-

sex startup teams, with 880 entrepreneurs on those teams. Aldrich said it's important to clarify that the sample includes small, everyday businesses that are still in the startup stages, such as bakeries, gift shops, and building contractors. None of them have reached the growth potential of a Twitter or a Facebook.

Seventy percent of the mixed-sex teams the duo studied are husband-wife teams.

"Our explanation for more pronounced gender inequality in spousal teams is that when husband and wife work together, they carry with them the cultural expectations for the male breadwinner and the female homemaker roles into the business setting," said Yang. "And the more children there are at home, the more it amplifies the expectation that the woman will also take on the role of leader of the household."

The researchers found that gender inequality in entrepreneurial teams can be reduced when people adopt organizational templates such as signing a formal operating agreement and developing a business plan in the early stages of the company's founding. These mechanisms help teams evaluate men's and women's competence more equitably and make "competence" more salient.

They found that men are 85 percent more likely than women to be in charge when team members have not signed a formal ownership agreement, but [men and women](#) have about the same chance to lead a team when that team has adopted such an agreement.

"It levels the playing field," Aldrich said. "One of the things we hope this will do is provoke a conversation so that the next time a couple or a mixed-sex team starts talking about forming a business, they can ask, 'Who should be the boss? Who is better at this? Let's talk about the basis by which we'll decide that.'"

Provided by University of North Carolina at Chapel Hill

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