

Understanding enterprise 'ecosystem' can increase number of women-owned businesses

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Making an economic case for female entrepreneurship will do more to increase the number of women-owned businesses rather than treating it as a diversity issue, according to new research led by the University of

Dundee.

Figures show that of the six million businesses in Britain, only one-fifth are run by [women](#), and there are twice as many male entrepreneurs as females despite there being more women in the UK. Furthermore, it has been estimated that increasing female entrepreneurship could result in a boost of £60 billion for the UK economy.

Dr. Norin Arshed, of the University's School of Business, working alongside colleagues from the University of Strathclyde, examined why [enterprise](#) policy has struggled to increase the rates of small [business](#) ownership by women entrepreneurs in the UK. They carried out dozens of interviews with policymakers, regional and local agencies and women entrepreneurs to understand why the quantity and quality of women-owned businesses has increased only modestly over the past 20 years.

The research, published in the latest edition of *Entrepreneurship Theory and Practice*, highlights a series of factors that help to explain the current situation by exploring the entrepreneurial ecosystem, the actors within this system and the policy process of women's enterprise policy. The researchers also set out recommendations for changes to the enterprise policy ecosystem that they believe will encourage entrepreneurship amongst women.

They found that efforts have been hampered by shifting political priorities in the UK and have called for policymakers to champion women-owned businesses to reinforce their legitimacy and help develop an institutional infrastructure that supports women's enterprise.

"Our overarching aim was to unravel the puzzle as to why women's enterprise policy has struggled to increase the rates of small business ownership by women entrepreneurs," said Dr. Arshed. "The study examines how and when individual stakeholders evaluate and then

influence the legitimacy of women's enterprise policy.

"We looked at the enterprise policy ecosystem which includes policy-makers, delivery agencies and women entrepreneurs. The key findings highlight the erosion of legitimacy for women's enterprise policy from policy-makers, emphasising the gender stereotyping of women entrepreneurs.

"This in turn sheds light on the top-down reproduction of stereotypical gender norms triggering 'bottom-up' legitimacy responses from women entrepreneurs and other stakeholders. This subordination has led to individuals engaging in practices that destabilise women's enterprise policy and undermine the effective delivery of policy objectives.

"Increasing the number of women entrepreneurs would bring benefits across the economy and society and this is one of the key recommendations of our paper – that an economic case must be made for women's enterprise policy and it should be rewarded with focus and resources rather than subsuming women's enterprise into the general diversity agenda."

The study found that:

- short-term ministerial imperatives often take priority over strategic efforts to formulate effective enterprise policy, leading to instability within the policy ecosystem
- there was a lack of legitimacy assigned to women's enterprise policy by policymakers, implementers and women entrepreneurs themselves
- policymakers and business support agencies often championed a focus on mainstream policy instead of women's enterprise, resulting in a lack of resources for this specialised policy
- women entrepreneurs often reject specialised support and

assistance in the belief that it undermined their status as competent business people

- there was resistance to the idea of women as a category being deserving of additional support at the expense of other groups considered to be similarly marginalised
- while some agencies went over and above the resources they had to assist women, others outright rejected the legitimacy of women's enterprise policy

In light of these findings, the authors recommend a comprehensive review of the culture surrounding women's enterprise policy at all levels, and have called for the Government to ensure women can access resources and to address the shortcomings that reduce the quality of business support.

With the current hodgepodge of initiatives having little effect on the quality and quantity of women's business, they also identified the need for a longer-term strategy to increase the collective validity of women's enterprise [policy](#).

Provided by University of Dundee

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