

The barriers facing female entrepreneurs

This evidence is presented in response to the call on 'Female entrepreneurship' by the Women and Equalities Committee.

March 2025

Summary

In an ever-evolving world, women encounter considerable difficulties in establishing and expanding their businesses. This policy brief examines the barriers facing female entrepreneurs with a particular focus on intangible factors. It analyses personal characteristics, gender-role orientation, cultural influences, and access to human and social capital. The findings provide recommendations that can benefit both entrepreneurs and policymakers, fostering a broader discussion about women's entrepreneurship.

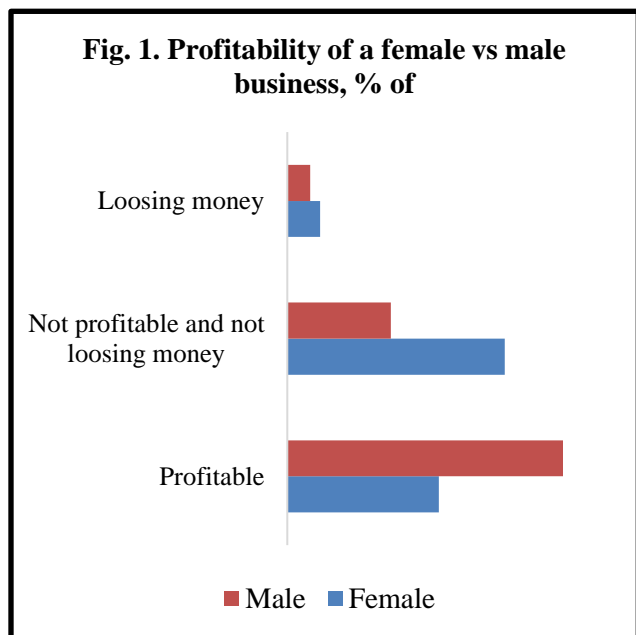


Acknowledgments and credits: this Policy Brief was written by Dr. Irina Heim (e-mail: irina.heim@henley.ac.uk), Lecturer at Henley Business School, University of Reading. I would like to express my sincere gratitude to the participants in this research, as well as to Professor Yelena Kalyuzhnova, Director of the Centre for Euro-Asian Studies at the University of Reading and Professor Gulzada Shakulikova from Atyrau Oil and Gas University (Kazakhstan) for their generous support of this project. I also extend my thanks to Ms. Almagul Turdagaliyeva from the same university for her assistance with data collection, Maria Richert, a PhD students from the University of Reading, for research assistance and Dr Elisavet Kitou, International Research Development Manager, for providing invaluable support during this project.

1. Research framework and study design

This report presents a study examining the barriers to female entrepreneurship, featuring the results of the project ‘Empowering Female Entrepreneurship in Kazakhstan’ along with an evidence-based review of existing literature. The project was conducted from September 2024 to March 2025, supported by the International Science Partnership Fund (ISPF) under the ODA Institutional Support Grant for 2024-25 from the University of Reading. For this research, a survey consisting of 26 questions that utilised validated scales from reputable evidence-based prior academic publications was designed and distributed to both male and female entrepreneurs. A total of 96 responses were collected, 61 female and 35 male responses. The findings include conclusions and observations that are relevant to female entrepreneurship in any country.

2. Research background



1.1 The need to understand the barriers to and provide support for female entrepreneurship

In many sectors, including entrepreneurship, women are not adequately represented in the workforce [1]. In entrepreneurship, women belong to historically disadvantaged groups such as novice, women, or minority entrepreneurs [2]. Studies suggest that promoting gender equality has the potential to boost the global economy [3]. Despite the extensive knowledge and research available on female entrepreneurship, certain policy implications that could effectively support and empower female entrepreneurs are still not being implemented or are lacking.

This policy brief focuses on several key factors influencing women’s business success.

Along with well-known tangible barriers to female entrepreneurship such as access to financial capital, technological capital, business training and the market, the cultural and social contexts may significantly influence the performance of women entrepreneurs, which is often lower compared to that of male entrepreneurs (Figure 1, based on data in this project). These include more nuanced categories attributed to soft factors such as leadership styles, culture, motivation, trust, and interpersonal relationships interconnected with the demographic characteristics, of entrepreneurs, their human and social capitals and gender-role orientations. Notably, networking factors were found to have a significant influence, especially in non-Western cultural contexts even within advanced economies [4]. There has been a positive relationship between women entrepreneurs’ human capital—specifically social networks, social norms, and social trust—and firm performance [2]. Soft factors affecting female entrepreneurship can be classified into several broad groups: gender-related personal challenges and orientations, and human and social capital.

Women are often less inclined to pursue entrepreneurial activities. The intention to start a business is considerably more complicated for women compared to men, as women are more sensitive to a range of noneconomic factors [5]. To start an entrepreneurial activity, women first should have intention. Conditions that lead to the development of this intention include subjective

norms, personal attitudes and perceptions, such as perceived supportive social resources, the ease or difficulty of becoming an entrepreneur, perceived beliefs about traditional gender roles and confidence in one's ability to successfully pursue entrepreneurial endeavours. Among these groups of factors, perceived beliefs about traditional gender roles and perceived supportive social resources have a significant positive impact on confidence in women's entrepreneurial abilities [6].

3. Research findings: the barriers facing women entrepreneurs

3.1 Demographic characteristics attributed to a female entrepreneur

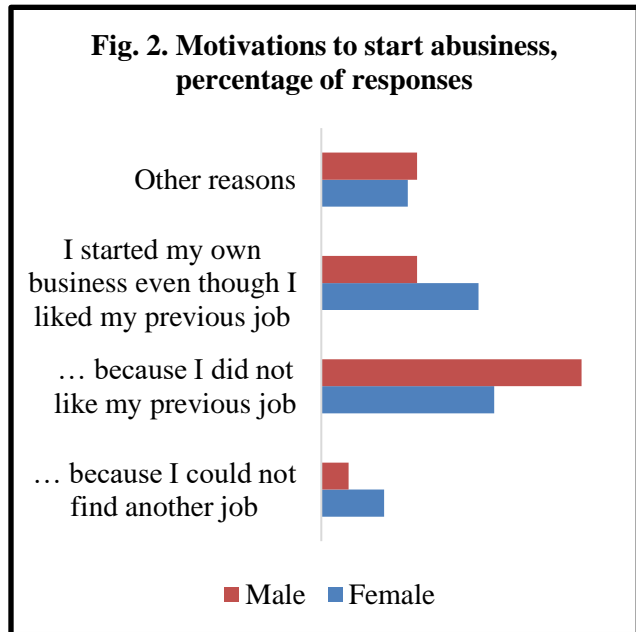
Personal demographic factors that may affect female entrepreneurial activity include gender itself, age, marital status, existence of children, the type of industry they engage and the type of self-employment. For instance, it was shown that the motivation and desire to establish a business diminish as individuals become older [7]. Age correlates with health, impacting productivity, decision-making, and longevity in entrepreneurial and professional endeavours as critical human capital components. As people get older, the value of their time becomes higher, so they place less importance on the benefits they might get from wages in the future [8]. On the other side, their chances of starting a business improve due to the greater amount of tangible resources, social connections, and skills they have gained over time [9]. Aligning with these two opposing forces, research highlights a non-linear pattern in entrepreneurial activity across different age groups, with activity reaching maximum within the age range of 35 to 44 years [10]. However, not all studies support the idea of a non-linear relationship between an individual's likelihood or inclination to engage in entrepreneurial activities and the age reaching its highest point in middle age. This may apply to female entrepreneurs, as women often have more time for entrepreneurial activities once their children grow older.

Text box 1. Non-economic motivations for starting a business.

I started my business...

- *“...to help single mothers with kids with special needs... I realised how mothers, mostly single, have not only an emotional burden but also financial stress.”*
- *“...to develop and learn new professional skills, to implement more of my ideas and to increase my income.”*
- *“...because I want to make [positive] change”*

In later years, self-employment can provide an economic advantage as an alternative to retirement. Self-employment, compared to traditional wage-and-salary positions, can lead to better outcomes, such as less job stress and work intensity, better cognitive ability, health conditions and socio-demographic characteristics. The health benefits of self-employment are particularly notable in knowledge-based industries compared to labour-intensive sectors [11]. Additionally, it can result in fulfilment as female entrepreneurs often start social businesses, due to a combination of personal motivations, societal influences, and unique perspectives (refer to the text box for examples of responses received from female entrepreneurs).

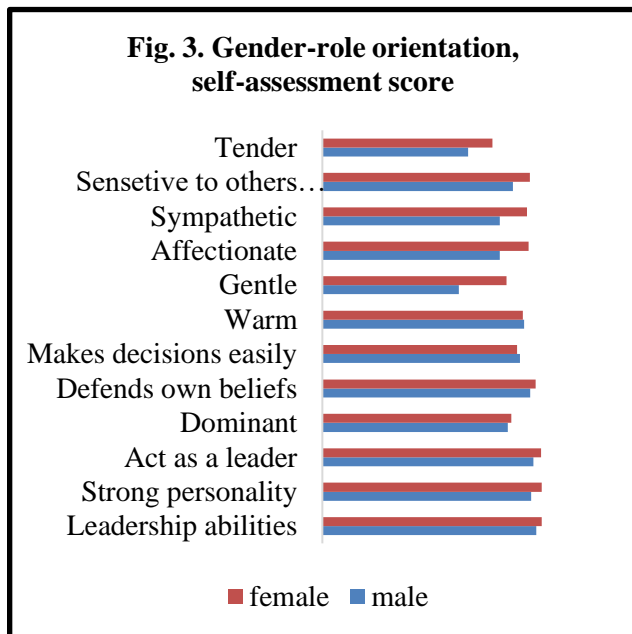


It is more difficult to find employment with age [12] and therefore women join the group of necessity entrepreneurs, those who are pushed to start a business due to unavailability of satisfactory alternatives, i.e. long-term inability to find employment or low wages in employment [13] and therefore women are enforced to start new entrepreneurial activities. The group of entrepreneurs who pursue a business opportunity—specifically recognizing the market potential for financial success among women of a certain age—will be smaller (refer to Figure 2). Furthermore, the likelihood that women in their late 40s will run a business by hiring workers to support their entrepreneurial activities is expected to be lower compared to the likelihood of running a business as independent entrepreneurs [14].

3.2 Gender-role orientation and cultural factor

Stereotypical perceptions continue to define behaviors as feminine or masculine, thereby shaping different gender roles and individuals' orientations toward these roles. Gender-role orientation [15;16] relates to how a person defines or associates themselves with culturally defined masculine and feminine roles, behaviors, and traits. It reflects how people perceive and express themselves in relation to traditional gender expectations within their society and includes two dimensions; who they are (descriptive) and who they are expected to be (prescriptive) [17]. For example, some people might align strongly with stereotypically masculine traits (e.g., assertiveness, independence), while others may identify more with feminine traits (e.g., nurturing, empathy). Some may adopt an androgynous orientation, which incorporates a balance of both masculine and feminine characteristics, or a more flexible approach to gender roles. Previous academic research suggests the following indicators of gender-role orientation:

- leadership abilities and actions
- personality strengths, dominance
- an entrepreneur's ability to stand up for their opinions, values, or principles, even in the face of disagreement or opposition
- an entrepreneur's ability to quickly and confidently choose a course of action when faced with options or challenges.
- qualities that describe a person's demeanor and approach toward others (warm, gentle, sympathetic, sensitivity to other's needs, tenderness)



Overall, individuals can develop one of four gender orientations: feminine orientation (scoring high on both dimensions), a masculine (scoring masculine on both dimensions), an androgynous (combining both feminine and masculine traits), or an undifferentiated orientation (does not strongly associate with either set of traits, showing low alignment with both femininity and masculinity) [17]. In terms of the effects of gender-role orientation on female entrepreneurship, research finds that entrepreneurship is predominantly associated with masculine traits and women with a masculine or androgynous orientation are more successful in terms of entrepreneurial activity. It creates a detrimental effect on women's enthusiasm or inclination towards

entrepreneurship if they do not possess these traits. Additionally, the perception of regional culture as supportive can leverage the effect of their personal characteristics for female entrepreneurs. In our research conducted in Kazakhstan, we observed an intriguing phenomenon: women score higher than men on both femininity and masculinity criteria (refer to Figure 3). This can be attributed to various cultural, historical, and societal factors, including the expectation to balance traditional roles with active participation in the workforce. In nomadic traditions, women often played significant roles in family, society, and even combat, showcasing qualities of independence and leadership.

3.3 Human and social capitals

Human capital refers to the educational background, management and business skills and health status of individuals. Research indicates that women entrepreneurs with greater skills, knowledge, and experience tend to run more successful businesses [2]. Human capital can be divided into two main categories: general capital and specific human capital. General capital encompasses socio-demographic traits such as age, the presence of children and marital status. In contrast, specific human capital includes the entrepreneur's education, work experience, and management abilities. Formal education is particularly important for female entrepreneurship, as women often face more obstacles in accessing educational institutions like schools, colleges, or universities, especially in developing countries. In more advanced economics, women from specific groups—such as national minorities, immigrants, and those from low-income households—may have limited access to quality education or may have to work harder to establish their credibility. Additionally, women are still significantly underrepresented among graduate entrepreneurs, particularly in areas connected to science, technology, engineering, and mathematics (STEM) disciplines [18]. For example our research has shown that women tend to be less inclined to adopt complex technologies, such as cloud computing and big data, which may be attributed to a lack of foundational technological education. Another crucial factor is social capital which refers to the benefits or resources individuals or groups gain from having strong, lasting networks or

connections with others who recognise and support them. It serves as a key theoretical framework for understanding the social hierarchies within an entrepreneurial ecosystem. Social capital comprises two components: social networks and social norms and trust, which together shape the unique set of social capabilities for female entrepreneurs [2]. Participation in social networks is crucial for building social capital as it provides access to necessary resources, opportunities and support needed for business development.

4. Policy recommendations

Overcoming demographic challenges: policy interventions in this area could include targeted financial support programs or grants for older women entrepreneurs. These initiatives should focus on women starting a business to fill market gaps, embrace innovation, or pursue their passions, as well as those who start this business due to a lack of better employment alternatives. Tailored education and skill-building initiatives should cater to women at different life stages. Additionally, policymakers should develop STEM-industry policies to encourage women entrepreneurs to engage in knowledge-based industries and create initiatives to help women transition from employment to entrepreneurship. It's important to suggest policies to reduce age discrimination in the labour market.

Developing individual gender characteristics: policies could incorporate training in masculine traits in females within entrepreneurial education for women. Other policies might foster entrepreneurial cultures that are supportive of women, ensuring they feel encouraged and valued regardless of their gender-role orientation. Policymakers could launch awareness campaigns to combat stereotypical perceptions of feminine and masculine roles. Furthermore, tertiary educational programmes and vocational training could be designed to cultivate leadership skills in women, focusing on traits traditionally associated with entrepreneurship, such as risk-taking, need for achievement, competitiveness and assertiveness.

Building human and social capital: policy should support female human capital development. For younger ages, it's essential to remove barriers and ensure equal access to formal education, including schools and universities. Policymakers should create initiatives that encourage businesses and educational institutions to improve access and opportunities for women entrepreneurs from minority and low-income backgrounds. Supporting STEM education among women is crucial, which can be achieved by promoting them in schools and providing target scholarships at the university level. Furthermore, policies should advocate for lifelong learning and promote self-employment in knowledge-based industries as an alternative to wage-and-salary positions in labour-intensive sectors. Finally, offering management and business skills training tailored to women entrepreneurs will enhance their operational and strategic capabilities.

5. Conclusion:

Empowering female entrepreneurs requires comprehensive policies addressing diverse needs across demographics, gender roles, and human capital. By fostering equal opportunities, reducing discrimination, promoting STEM education, and cultivating supportive entrepreneurial cultures, policymakers can create an inclusive environment. Tailored initiatives can unlock potential, enabling women to thrive as innovators and leaders in competitive, knowledge-based industries.

References:

- [1] Strawsera, J. A., Hechavarría, D. M., & Passerin, K., 2021. Gender and entrepreneurship: Research frameworks, barriers and opportunities for women entrepreneurship worldwide. *Journal of Small Business Management*, 59(S1), S1-S15.
- [2] Welsh, D.H., Kaciak, E. & Shamah, R., 2018. Determinants of women entrepreneurs' firm performance in a hostile environment. *Journal of Business Research*, 88, 481-491.
- [3] Woetzel, J. et al. 2015. The power of parity: how advancing women's equality can add \$12 trillion to global growth. <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>.
- [4] Lerner, M., Brush, C. & Hisrich, R., 1997. Israeli women entrepreneurs: An examination of factors affecting performance. *Journal of Business Venturing*, 12(4), 315-339.
- [5] Shahriar, A.Z.M., 2018. Gender differences in entrepreneurial propensity: Evidence from matrilineal and patriarchal societies. *Journal of Business Venturing*, 33(6), 762-779.
- [6] Hamdani, N.A., Ramadani, V., Anggadwita, G., Maulida, G.S., Zuferi, R. & Maalaoui, A., 2023. Gender stereotype perception, perceived social support and self-efficacy in increasing women's entrepreneurial intentions. *International Journal of Entrepreneurial Behavior & Research*, 29(6), 1290-1313.
- [7] Praag, C.M.V. & Ophem, H.V., 1995. Determinants of willingness and opportunity to start as an entrepreneur. *Kyklos*, 48(4), pp.513-540.
- [8] Levesque, M. & Minniti, M., 2006. The effect of aging on entrepreneurial behavior. *Journal of Business Venturing*, 21(2), 177-194.
- [9] Lee, M.O. & Vouchilas, G., 2016. Preparing to age in place: Attitudes, approaches, and actions. *Housing and Society*, 43(2), 69-81.
- [10] Parker, S.C., 2009. Why do small firms produce the entrepreneurs?. *The Journal of Socio-Economics*, 38(3), 484-494.
- [11] Zhang, T., & Carr, D. 2014. Does working for oneself, not others, improve older adults' health? An investigation on the health impact of self-employment. *American Journal of Entrepreneurship*, 7(1), 142-180.
- [12] Zissimopoulos, J.M. & Karoly, L.A., 2007. Transitions to self-employment at older ages: The role of wealth, health, health insurance and other factors. *Labour Economics*, 14(2), 269-295.
- [13] Zhang, T., & Acs, Z. 2018. Age and entrepreneurship: Nuances from entrepreneur types and generation effects. *Small Business Economics*, 51, 773-809.
- [14] Kautonen, T., Down, S. & Minniti, M., 2014. Ageing and entrepreneurial preferences. *Small Business Economics*, 42, 579-594.
- [15] Bem, S. L. 1974. The measurement of psychological androgyny. *Journal of Consulting and Clinical Psychology*, 42(2), 155-162.
- [16] Bem, S. L. 1981. *Bem Sex Role Inventory: Professional manual*. Palo Alto, CA: Consulting Psychologists Press.
- [17] Liñán, F., Jaén, I., & Martín, D. 2022. Does entrepreneurship fit her? Women entrepreneurs, gender-role orientation, and entrepreneurial culture. *Small Business Economics*, 58(2), 1051-1071. <https://doi.org/10.1007/s11187-020-00433-w>
- [18] Piva, E. & Rovelli, P. 2022. Mind the gender gap: the impact of university education on the entrepreneurial entry of female and male STEM graduates. *Small Business Economics*, 59(1), 143-161.