Entrepreneurship: not an easy path to top management for women

Joan Winn

The author

Joan Winn is Associate Professor of Management at the Daniels College of Business, University of Denver, Colorado, USA.

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Abstract

Despite the increased gender parity in the workforce today, few women attain top management positions in America’s largest corporations. Instead, an increasing number of women are achieving CEO status as entrepreneurs. In-depth interviews with women who have lived in both worlds – that of the stable company and one launched and run on their own – give some insight as to the nature of the problems and perceptions faced by women as managers and entrepreneurs. Issues such as gender-role bias and work/life balance are concerns for women with and without children. Gathering information from women who decided to form their own organizations after they had worked in a large organization, this paper examines some of the decision-making factors and socio-personal constraints that affect such entrepreneurship.

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Corporate America’s “grey flannel suit” has undergone profound alterations within the last few decades. A brief tour inside the corporate walls reveals major changes, not just in technology and marketing, but also in management and operations. Traditional bureaucratic hierarchies are giving way to cross-disciplinary teams. Factories manipulate heavy equipment with the touch of a computer keyboard. The manager’s job has largely changed from director to facilitator, from provider to counselor. Flexibility, not force, is the code-word for success. We no longer regard competition as a battlefield but, instead, view it as a challenge of innovation, persuasion, and negotiation. Women have historically been viewed as having the requisite skills when it comes to cooperating, nurturing, adapting, and persuading. Yet only three women were listed among the CEOs of the world’s 500 largest corporations in 2000 (Northouse, 2001).

Fewer than 6 percent of all corporate CEOs are women, a figure that has varied by a mere one percentage point over the last 20 years (Catalyst, 2001). Susan Ness, former FCC commissioner and director for the Annenberg Public Policy Center of the University of Pennsylvania, observed, “With few exceptions, we have not moved beyond tokenism in the number of women in top leadership positions” (Mediaweek, 2002). Furthermore, women held only 10.9 percent of all board seats in the top Fortune 1000 companies in 2001, an increase of less than 1 percent from 1999. Nearly 40 percent of the Fortune 501-1000 companies had no women on their Boards of Directors, an increase from all-male Boards in 1999 (Catalyst, 2001).

Among those who run their own business, women are increasingly well represented. According to the Small Business Administration (2001), women own one-third of all American businesses. These US women-owned businesses employ more people than the entire Fortune 500 list of America’s largest companies combined. Between 1997 and 2002 the growth of women-owned firms outpaced the overall growth of businesses by nearly two-to-one and the revenues generated by women-owned enterprises grew by 40 percent (Center for Women’s Business Research, 2001).

If so many women are capable of running companies of their own, why do so few women populate the top rungs of corporate America? Certainly the support systems in large companies are better, for example, there is an established network of policies and personnel available to keep operations moving smoothly and provide slack to
mitigate production spikes and unanticipated emergencies. Additionally, large companies typically have better benefits — including institutionalized vacation policies and mandated parental leave — critical components to those with family responsibilities. Does the Aristotelian view that women are less capable than men in the executive suite still prevail?

A snail’s pace to the top

The popular press is quick to headline the women who make it to the boardroom of corporate America. However, even Fortune magazine acknowledges that few women reach the ranks of upper management and, those who do, “don’t wear their power quite as comfortably as men do” (Sellers, 2002, p. 102). For the last two decades, women have cited lack of mentoring, lack of managerial experience, exclusion from informal networks, and male stereotyping as the prime barriers to advancement. Effective management may require nurturing and facilitating, but getting into management positions still takes directness and visibility — and time at the office. In the corporate world, for men and women alike, the path to upper management has an established protocol. Usually long hours, demonstrating ambition and loyalty to the organization are prerequisites to promotion. With no familial responsibilities to interfere, both men and women can compete on an even plane. This becomes difficult when marital and family situations change.

Linda Stroh, Professor of Industrial Relations at Loyola University in Chicago, sees the problem as the “lingering and often unconscious perception (by others) that women are going to leave to have babies” (Fisher, 1992, p. 45). Sylvia Hewlett (2002) believes that women who choose to pursue corporate careers often realize too late that their childbearing opportunities have passed. Author and poet Ellen Gilchrist (2002, p. 256), sees family and work as a “war, with guilt as their nuclear weapon and mutually assured destruction as their aim”. Lately, personal and family responsibilities have risen to the top of the list of reasons women give for not rising to top management (Morris, 2002).

For the most independent and ambitious of women, the role of wife may not alter her ability or willingness to climb the career ladder. However, for women with children, the corporate climb becomes more difficult. As guilt and stress outstrip the benefits of income and prestige, women with young children are increasingly leaving the workforce to become full-time mothers. Even among executives, an increasing number of women are “stopping out” to raise families as the demands of corporate life impinge on the quality and quantity of family time. Hewlett’s recent (2002) study indicated that women in companies that offered flexible hours or work-at-home options were more likely to stay after the birth of a child. Even with the opportunity for flexible work arrangements, women in her study were more likely to be childless (42 percent) or have stay-at-home husbands (30 percent).

Despite the near parity in overall workforce representation, the number of women CEOs is unlikely to swell anytime soon (Daily et al., 1999). Women may be gaining visibility as a select few attain upper management positions, but the corporate ladder is still populated by middle-aged men hanging onto the rungs. As this generation of corporate bosses approaches retirement, they are being replaced by up-and-comers who have been educated in modern business practices. Fewer women than men seek MBA degrees. Fewer women in the pipeline translates to fewer women ascending to the top.

Formal training and mentoring programs can target women and minorities who might otherwise be overlooked, but there remains a dearth of role models and mentors for women. Mentor availability notwithstanding, as middle management positions fall by the wayside, the fast-track slows to a crawl. Because of this, Baxter and Wright (2000), while acknowledging that women face greater obstacles than men as they move up the corporate hierarchy, question “systematic glass ceiling effects” for women in the US. After all, with each promotion, the opportunities for the next promotion for men and women alike are fewer as the playing field grows narrower. Nonetheless, women are scarce at all but the lowest ranks in most companies.

Some researchers blame women themselves, not for their lack of abilities or drive, but for their lack of assertiveness in making their wishes known. Too often women wait to be recognized rather than ask for promotions, pay raises, or even acknowledgment of their contributions. Nevertheless, comparisons of men and women in management suggest that women’s career progression is a function of gender roles and bias (Kirchmeyer, 1998; Ragins et al., 1998), rather than assertiveness or competence. The Conference Board of Canada’s survey of female executives reported that “harassment and discrimination remain significant problems for women in management” (Maclean’s, 2000, p. 28).
The lure of entrepreneurship

The contrast between the number of US women executives running large public corporations with the number of women running their own businesses is striking. The Center for Women’s Business Research (2001) estimated that there were 6.2 million majority-owned, privately-held women-owned firms in the US, employing 9.2 million people and generating $1.15 trillion in sales in 2002. Between 1997 and 2002, the Center estimated that the number of women-owned firms increased by 14 percent nationwide – twice the rate of all firms. Employment in these firms increased by 30 percent, which is 1 1/2 times the average employment rate. Sales grew by 40 percent – the same rate overall for US firms.

Sylvia Hewlett (2002) reported that an increasing number of women choose entrepreneurship out of frustration with demanding and inflexible work environments. Self-report questionnaires and interviews of women who start their own businesses revealed that they believed that corporate America would not accommodate their personal situations nor satisfy their professional goals (Moore and Buttner, 1997). In stark contrast to their male peers, successful, upwardly-mobile women in Fortune 500 companies tended to be single (55 percent), without children at home (80 percent) (Stroh et al., 1992). Running one’s own business has long been perceived as more compatible with women’s family responsibilities, the reverse may be true. In order to identify some of the constraints that precipitate or affect entrepreneurship, this author embarked on a study of career paths of women who decided to form their own organizations after they had worked in a large organization. Unstructured interviews with 24 women (names have been changed to protect confidentiality) were conducted at various stages of business ownership, from conception to dissolution of the business in some cases. Some commonalities began to emerge, namely, the expectations and enthusiasm for a new venture during its infancy, the struggles to sustain the business through its early years, and the pivotal role of family structure and support in the decision to initiate and continue a business. An overview of these women’s paths into (and out of) entrepreneurship is given in Table I.

The narratives of the women in this study did not differ markedly from the reports of entrepreneurs in previous studies (e.g. Goffee and Scase, 1985; Scott, 1986; Orhan and Scott, 2001). A woman’s choice of business was closely linked to her family situation and the constraints that these responsibilities imposed. She desired an income-producing situation that allowed flexibility and autonomy. These women were no strangers to business, having worked for established organizations before striking out on their own. Their stories reveal both surprise and satisfaction from their ventures – surprise that running their own business was so difficult and satisfaction at having taken the plunge. Nevertheless, many of these women realized too late that independent ownership was not a panacea. Table II illustrates the issues that these women felt impacted the satisfaction they derived from their businesses.

Insider perspectives

Isolation

While studies of women managers and entrepreneurs yield few differences between those who pursue corporate life and those who venture out on their own, Brodsky’s (1993) study found that women entrepreneurs were more independent and less trusting of others than those in corporate management positions. Perhaps this is the effect, rather than the cause, of independent business ownership. Corporate managers can seek support within their own organizations; entrepreneurs...
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<tr>
<th>Name</th>
<th>Lifestyle</th>
<th>Prior employment</th>
<th>Type of business</th>
<th>Initial form</th>
<th>Major business issues</th>
<th>Primary income</th>
<th>Business status</th>
<th>Next stage</th>
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<tbody>
<tr>
<td>Kathy</td>
<td>Married with children</td>
<td>Landscape architect for large firm</td>
<td>Landscape architect</td>
<td>Solo</td>
<td>Childcare, home/office conflict</td>
<td>Spouse</td>
<td>End</td>
<td>Joined small firm</td>
</tr>
<tr>
<td>Tina</td>
<td>Married no children</td>
<td>Marketing and sales consulting</td>
<td>Management consultant</td>
<td>Solo</td>
<td>Isolation, lack of clients</td>
<td>Spouse</td>
<td>End</td>
<td>Joined consulting company</td>
</tr>
<tr>
<td>Nancy</td>
<td>Divorced no children</td>
<td>Marketing and sales manager for hotel chain</td>
<td>Marketing consultant</td>
<td>Solo</td>
<td>Harassment, cash flow</td>
<td>Business and savings</td>
<td>End</td>
<td>Back to school</td>
</tr>
<tr>
<td>Jan</td>
<td>Single</td>
<td>Graphic designer</td>
<td>Graphic design</td>
<td>Partnership</td>
<td>Ideological conflicts</td>
<td>Business</td>
<td>End</td>
<td>Partner with existing firm</td>
</tr>
<tr>
<td>Shirley</td>
<td>Married with children</td>
<td>Food service manager for hotel chain</td>
<td>Engineering consulting</td>
<td>Copreneur</td>
<td>Economic downturn, cash flow</td>
<td>Business (two-income household)</td>
<td>End</td>
<td>Independent consulting and catering</td>
</tr>
<tr>
<td>Lisa</td>
<td>Married with children</td>
<td>Public school teacher</td>
<td>Specialty retail</td>
<td>Solo</td>
<td>Cash flow, long hours</td>
<td>Spouse</td>
<td>Liquidated at loss</td>
<td>Public school teacher</td>
</tr>
<tr>
<td>Margaret</td>
<td>Married no children</td>
<td>Public school teacher</td>
<td>Restaurant</td>
<td>Copreneur</td>
<td>Cash flow, partner conflicts</td>
<td>Business (two-income household)</td>
<td>Sold at loss</td>
<td>Teacher at local college</td>
</tr>
<tr>
<td>Heidi</td>
<td>Single</td>
<td>Marketing manager</td>
<td>Marketing and fulfillment</td>
<td>Corporate</td>
<td>Economic downturn, cash flow</td>
<td>Business</td>
<td>Sold at loss</td>
<td>New venture with new partner</td>
</tr>
<tr>
<td>Karin</td>
<td>Single</td>
<td>Sales manager</td>
<td>Employment agency</td>
<td>Corporate/</td>
<td>Cash flow, partner conflicts</td>
<td>Business</td>
<td>Relinquished share of business to</td>
<td>Independent consulting</td>
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<tr>
<td>Annette</td>
<td>Married with children</td>
<td>Social worker</td>
<td>Private counseling practice</td>
<td>Partnership</td>
<td>Cash flow, isolation</td>
<td>Spouse</td>
<td>Going concern</td>
<td>Split business, now solo</td>
</tr>
<tr>
<td>Mary</td>
<td>Married with children</td>
<td>Sales and marketing</td>
<td>Financial services</td>
<td>Partnership</td>
<td>Partner conflicts</td>
<td>Spouse</td>
<td>Sold business for profit</td>
<td>Independent consulting</td>
</tr>
<tr>
<td>Ellen</td>
<td>Married no children</td>
<td>Public school teacher</td>
<td>Collectibles boutique</td>
<td>Solo</td>
<td>None</td>
<td>Spouse</td>
<td>Sold business for profit</td>
<td>Writing a book</td>
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<tr>
<td>Claire</td>
<td>Divorced, grown children</td>
<td>Bank VP</td>
<td>Specialty retail</td>
<td>Solo</td>
<td>Cash flow, isolation</td>
<td>Business</td>
<td>Sold business for profit</td>
<td>New venture</td>
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<tr>
<td>Joni</td>
<td>Single</td>
<td>Restaurant manager</td>
<td>Restaurant</td>
<td>Partnership</td>
<td>Cash flow, partner conflicts</td>
<td>Business</td>
<td>Going concern</td>
<td>Bought out partners</td>
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<tr>
<td>Chris</td>
<td>Divorced no children</td>
<td>VP sales for digital imaging company</td>
<td>Internet graphics</td>
<td>Partnership</td>
<td>Financing, cash flow</td>
<td>Business and savings</td>
<td>Going concern</td>
<td>Bought out partners</td>
</tr>
<tr>
<td>Jane</td>
<td>Single, one child</td>
<td>Corporate accountant</td>
<td>Specialty retail</td>
<td>Partnership</td>
<td>Cash flow, partner conflicts</td>
<td>Business</td>
<td>Going concern</td>
<td>Bought out partners</td>
</tr>
<tr>
<td>Anne</td>
<td>Married no children</td>
<td>Corporate trainer for large company</td>
<td>Management consulting</td>
<td>Copreneur</td>
<td>Cash flow, partner conflicts</td>
<td>Business (two-income household)</td>
<td>Going concern</td>
<td>Divorced, split business, now solo</td>
</tr>
<tr>
<td>Linda</td>
<td>Married no children</td>
<td>Research scientist</td>
<td>Scientific consulting</td>
<td>Solo</td>
<td>Cash flow, long hours</td>
<td>Business (some money from spouse)</td>
<td>Going concern</td>
<td></td>
</tr>
<tr>
<td>Vicky</td>
<td>Divorced no children</td>
<td>IT/finance manager</td>
<td>Software development</td>
<td>Copreneur</td>
<td>Long hours</td>
<td>Business</td>
<td>Going concern</td>
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<tr>
<td>Lori</td>
<td>Divorced, one child</td>
<td>Travel agency manager</td>
<td>Restaurant</td>
<td>Solo</td>
<td>Cash flow, location and economy</td>
<td>Business</td>
<td>Going concern</td>
<td></td>
</tr>
<tr>
<td>Maureen</td>
<td>Married with children</td>
<td>Senior division manager for large company</td>
<td>IT consulting</td>
<td>Partnership</td>
<td>Economic fluctuations</td>
<td>Business (two-income household)</td>
<td>Going concern</td>
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(continued)
must seek support through external networks. This often results in feelings of isolation and loneliness as articulated by the women in this current study. Annette, who quit her social worker job when her children were born, started a private counseling practice when her children entered school. She enjoyed being able to set her own hours, but missed the camaraderie of colleagues. She found herself clinging to friendships “and seeking more opportunities for social events than I used to” now that those needs were not satisfied at work. Heidi and Karin attended the monthly meetings of a women’s group. “I need other women to talk to”, explained Karin. “The people [who work for me] expect me to have all the answers”.

Lifestyle issues as a by-product of the isolation that entrepreneurship imposed was mentioned frequently among owners of independent businesses. Single women often remained single, reporting that they had no discretionary time or emotional reserves beyond those required to meet the demands of their business.

Chris, who worked for two years to get her internet company launched, lamented, “I haven’t had a date in three years. My only contacts are venture capitalists and clients.” On the other side of the “date problem”, Nancy claimed to have changed her dress and behaviors to ensure that male clients took her seriously. “They wanted romance, I wanted contracts . . . In order to have a real social life I had to get out of the business.”

Marital dynamics

While career opportunities for women have changed, family role models typically have not. While the number of stay-at-home dads has soared, their numbers are still few. Most young men and women still see their mother doing the majority of home chores. The father’s job is still seen as more important in terms of both money and prestige. Women are not prepared for the corporate pressures that impinge on their role in the family (the role that they were taught to play). White et al. (1997, p. 31) found that even among those who were career-oriented from an early age, many successful women undergo “role conflicts which may lead to an extended period of identity ‘diffusion’” and missed opportunities.

Married women, especially those with children, live in two worlds: one at work and one at home. Even with a stable marital relationship to mitigate risk and provide a financial safety net and moral support, child-rearing responsibilities can interfere with the best of intentions. Children do not plan their illnesses or school schedules with their parents’ needs in mind. While it is often

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<th>Next stage</th>
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<tr>
<td>Kelly</td>
<td>Divorced with children</td>
<td>Account executive</td>
<td>IT consulting</td>
<td>Partnership</td>
<td>Economic fluctuations</td>
<td>Business (two-income household)</td>
<td>Going concern</td>
<td></td>
</tr>
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<td>Sarah</td>
<td>Married with children</td>
<td>Secretary</td>
<td>Specialty retail</td>
<td>Partnership</td>
<td>Schedule constraints</td>
<td>Spouse</td>
<td>Going concern</td>
<td></td>
</tr>
<tr>
<td>Joyce</td>
<td>Married with children</td>
<td>Journalist and teacher</td>
<td>Specialty products distributor</td>
<td>Franchise</td>
<td>Long hours</td>
<td>Spouse</td>
<td>Going concern</td>
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Note: *reflects status change after business startup

<table>
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<tr>
<th>Table II Summary table of concerns of women entrepreneurs a</th>
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<tr>
<td>Reported problems/stressors</td>
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<tr>
<td>Family pressures/gender-role expectations</td>
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<td>Isolation</td>
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<td>Partner conflicts</td>
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<td>Long hours</td>
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<td>Childcare</td>
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Note: *Respondents could identify more than one area. Data reflect comments about issues that impact business-ownership satisfaction, from unstructured interviews, reported as percent of respondents.
permissible to miss a day at the office to tend to family problems, small businesses have less slack than large companies and small business owners have less independence than their employees. Owners of new businesses find that they have more constraints and less flexibility than they anticipated in the planning stages of their business. For women, this is particularly troublesome.

Kelly and Maureen started their consulting business together, with the idea of balancing family and work in mind. Kelly’s father and father-in-law both had built their own companies, and her husband was a successful commercial real estate broker. “My father and father-in-law both had their own businesses, so they thought that this was a great idea until I became pregnant. Then they fully expected me to build and sell [the business] and become a stay-at-home mom.”

Work/home conflict is evident even for women who do not have children. Like the women in the study by Stoner et al. (1990), the women in this study found that the demands of their business affected their ability to relax at home, causing marital unhappiness and work/home conflict. Even those women who were encouraged by their husbands reported that the time and stress of the businesses strained their marriages. Goffee and Scase (1985, p. 5) pointed out that while “the wives of small businessmen are often subordinated to the needs of their husbands”, the reverse is seldom true. For men, work and family are complementary; for women, work and family present a dilemma.

Lori confided that her husband always attributed the success of her restaurant to luck. He thinks I don’t work hard … that I got a lucky break by locating here when the economy took off.” Joyce and Sarah had husbands who paid little attention to their businesses as long as it didn’t drain the family finances. “You get used to him telling people how prestigious his job is … he thinks I’m just having fun,” lamented Sarah.

Tina abandoned her dream of continuing business ownership, citing difficulties in getting enough clients. She also explained that the isolation of working independently put pressures on her husband and her marriage. He wanted to relax after work; she wanted someone to talk to.

Interviews by researchers Goffee and Scase (1985, p. 48) suggested that husbands rarely contributed to the running of either homes or businesses. This contrasts strongly with the experience of male proprietors … many male-owned enterprises could not survive without the unpaid contribution of wives who, in addition, are also single-handedly responsible for the family and the home. Even entrepreneurial couples, husband-wife teams who work closely together, “are often trapped by a gender-based division of responsibilities and authority” typically resulting in “the wife acquiescing to (the husband’s) benevolent authority” (Marschak, 1998, p. 169).

“We started the business together,” explained Margaret about the restaurant she and her husband started when they relocated to the west coast. “But then his [design] business took off and I was left managing the restaurant. I couldn’t handle it all, especially when he continued to … give orders, but didn’t spend much time at the restaurant anymore.”

When the business that Shirley and her husband founded started to lose money, she was the first to leave, despite her CEO title. Eventually all but three of the employees were laid off. Her husband continues to do consulting under the business name. Shirley still contributes some administrative assistance but draws no salary.

Women’s career commitment is still viewed with suspicion (Cordano et al., 2002; Lancaster, 1999). Despite some evidence that time spent devoted to family obligations may hinder men’s advancement more than women’s (Konrad and Cannings, 1997), the stranglehold of gender-role bias should not be minimized in exploring professional women’s exodus from corporate America.

“I don’t think [my husband] would learn to cook if his life depended on it,” Annette mused. “I schedule myself part-time so that I can be there when my kids come home from school. I’m lucky – I haven’t had to break appointments very often.”

One woman admitted in confidence that “My husband’s secretary does things for him that I would never ask anyone I worked for to do for me.” She claimed that her husband eagerly went to their children’s athletic events, but refused to take them to doctors’ appointments. “He claims to be [more] involved in his children’s lives [than he actually is],” she sighed.

Child-rearing

While many women become successful business-owners, the difficulties of balancing their families with their business obligations cannot be overemphasized. Longstreth et al. (1987) found that self-employed women worked fewer hours per week at their jobs than the average full-time worker. However, the women in their study, as well as the women interviewed for this research, too often underestimated the extent to which their own business would interfere with their family life. These conflicts did not always lessen as their children got older. Day-care is easier to find for young children, despite the sleepless nights and guilt that accompanies late-evening business obligations. Older children pose more logistical problems, and, when left to their own devices, are
not always trustworthy. Schindehutte et al. (2003) report that even women who believe their business has an overall positive impact on their children, acknowledge that owning a business disrupts family life.

Lisa explained that her business was easy when her children were young. “They hung around the mall and everyone thought they were cute.” Later, after-school care became difficult to coordinate. “You can’t just leave your business at 3 p.m. to pick up your kids.”

“It was different before my daughter was born”, Jane recounted. “Now I have to be careful that she doesn’t suffer because I’m away so much”.

Kathy found that catering to clients conflicted with taking care of her school-age children. “Working at home was great when the kids were at school, and I liked the comfort of being home to greet them when they came home from school . . . but [my husband and I] would argue over who should stay home when the kids were sick.”

The married women in this study who subordinated their business interests to their husbands’ careers were seldom successful on their own. Even when the business was originally set up to be jointly run by husband and wife, more men than women kept their secure corporate job. When the husband’s profession left little time for business involvement, their wives were left to run the business.

Margaret and her husband started their restaurant together when they relocated. Neither had jobs or local contacts before the move, so they saw the restaurant as being a launching pad for their new life. Margaret’s husband became less involved in their business when he was able to solicit clients for his design business. Sarah and Tina admitted that they would not have been able to sustain the cash fluctuations of their business had their husbands not had steady paychecks. Annette and Kathy had marital problems that affected their ability to devote attention to their businesses.

While some of these women had the financial resources to continue their businesses, others (especially those with children) could not endure the low or negative returns inherent in a new business without another source of income (usually from their spouse). In two cases, the husband viewed the wife’s business as a “hobby” even when the business income exceeded his salary.

**Transitions**

Too often, only when the children leave home either to go off to school or to set up their own household as adults, does the business afford flexible time. For some women, this is a time of re-evaluating their role in the business as well as their role at home (McKay, 2001).

Ellen explained that when her husband retired, he wanted to travel, but she was tied down to her business. “There’s no accumulated sick-leave” when you own your own company, Ellen explained. Claire’s children located in a distant state after they graduated from college. Her family gone, the business became isolating and unfulfilling. Both women sold their businesses.

As in Brodsky’s (1993, p. 341) study of women corporate managers and entrepreneurs, the divorce rate among women entrepreneurs is high. Brodsky’s study on measures of trust and level of control may pertain to acquiescence in a traditional marriage as well as in a traditional company. “Entrepreneurs see themselves as in need of control and intolerant of limits imposed by others, and seek to define their own work environments and parameters.” Orhan and Scott (2001) still see “male domination” and “women’s identity” as playing pivotal roles in the decision for some women to start their own companies. On the other hand, Aldrich (1989, p. 128) believes that even women entrepreneurs “must break into the ‘old boys’ network by deliberately invading male turf whenever possible” in order to be successful.

The women in this study who were successful in business tended to be not married (single or divorced) or had husbands who were actively involved in the business. Married women with children were the least likely to succeed if their husbands were not involved in the businesses. Even when husbands were willing to share in the household and child-rearing duties, these women reported tremendous guilt and anxiety when their business required long hours away from home. Unless these women had non-financial help from their husbands or “significant others”, their businesses were likely to fail.

“My husband never took my business seriously,” admitted Kathy. “When he started his own business I got pushed out of the den. It became a fight for space [and] a wrestling match over who would cook dinner.”

“It’s tough,” explained Joni. “My family thinks I’m crazy for doing this. Sometimes I wonder if the stress is worth it.”

Familial and societal variables differently impact women and men in starting and sustaining independent organizations. In order for a new business to be successful, the owner/manager must fit family obligations to the business needs, thereby subordinating the family to the business, a difficult position for most women, especially those with children. If her husband does not provide encouragement and understanding when the
business demands long hours in exchange for minimal returns (and, often, high stress), the woman is unlikely to continue her business.

Business Consultant Anne Fisher, writing for Fortune, believes that many women aspire to top management positions, even though “they know too much about the rigors of the journey” (Fisher, 1992). However, the women in this study, all of whom had worked full-time before launching their own business, expressed surprise at the time commitment and financial variability of their businesses. Many women entrepreneurs have unrealistic expectations, starting businesses in volatile service or retailing industries and with insufficient financial and managerial training. When the flexibility and profitability that women desire from independent business ownership are not forthcoming, the conflict between work and family obligations is exacerbated. For those in marriages and/or partnerships, this became a source of conflict which some couples could not resolve.

**Conclusions: a convergence of change**

Most men and women entrepreneurs have work experience before they start their own businesses. Many entrepreneurs have family members who served as role models or mentors (Brush, 1992; Orhan and Scott, 2001). Both men and women entrepreneurs desire autonomy and control. They believe that their own business will provide income and personal satisfaction. Women, more than men, start their own business to “make a social contribution in addition to pursuing economic motives (Still and Timms, 2000, p. 3) or to fulfill their own or their spouse’s dreams.

Like their corporate executive sisters, most of the women interviewed for this study found business ownership was not compatible with raising a family. Some of the women in this study expected the business to facilitate their childcare responsibilities. Several women were childless by choice; others intended to postpone children until the business became successful. In some cases, the business demands circumvented earlier plans for a family. Increasingly, small and large organizations alike expect “24/7” availability, resulting in higher stress than productivity, and an increasing demand for stress management therapy (Daniels, 2002). In large companies, this may be imposed from above or by the (perceived) competition within the company itself. For small companies, it becomes a means for survival.

The relatedness of experience and business-ownership choice should also not be overlooked. Few women have the educational or experiential foundation for starting their own business, despite expertise or training in specialized fields. Historically, most entrepreneurial women started their careers in traditional female occupations, e.g. secretary or teacher – non-business oriented training grounds (Brush, 1992; Moore, 1990). While for some women, managing adults may be easier than caring for children all day long (Conlin, 2002), juggling the financial, operational, and marketing tasks for a new venture proved to exceed the expectations, let alone capabilities, of most novice entrepreneurs. A typical comment from women in this study was, “What was I thinking?”

Those women who began their businesses as a partnership – whether as part of a spousal arrangement or purely business initiative – found that working as a team had its own pitfalls. For many, the autonomy that they sought was compromised by power struggles and ideological disagreements. Rather than serving as a source of support, most women in this study found partnerships added stress. Division of responsibilities and conflicting expectations were most often cited as reasons for dissolving partnerships. In some cases, the business conflicts precipitated – or at least exacerbated – the condition that led to an eventual divorce.

**Where do we go from here?**

For corporate and entrepreneurial women alike, the competitive environment of business interferes with family life. If gender roles influence career choice, then we must be sensitive to the different needs of men and women. The role of marriage and family, while gaining popular-press attention for its effect on women aspiring to higher corporate positions, is inadequately addressed in the entrepreneurship literature. For men, marital status does not appear to affect their decision to rise in the corporate ranks or begin their own enterprise – fewer men than women in these groups are single or divorced. For women, family structure has a different impact on their ability to focus on running a business, or on the perception of their commitment to their business. The role of the spouse in initiating and sustaining independent businesses has been given little attention (Marschak, 1998) and is virtually absent in large-scale studies that examine career paths and catalysts. Women in corporate ranks rely on intra-organizational mentors for their advancement;
spousal support is more important for women who start their own businesses. 

Policy-makers and educators who are interested in increasing women in the executive ranks need to understand the interaction between family and career aspirations in order to properly guide those who choose business leadership positions. Unless we can put the business/family interface into perspective, we cannot remove the barriers that women encounter as they pursue their careers. Unless we understand the nature of parental or spousal support in new venture creation, we cannot provide adequate support to independent women. Finally, we need to understand and address the factors that are critical for women to succeed in independent businesses and to present a more realistic picture of what starting a new business entails. 

Women often start their own business because of the flexibility and control that is perceived to be compatible with their role in child-rearing. If women-owned businesses are initiated with unrealistic expectations, in volatile service or retailing industries, with insufficient financial and managerial training, it is a wonder that any succeed. But we can only provide a better system of education and support if we understand the critical variables that affect the business-creation decision and the roles that family structure and spousal support play as the business matures. Prospective entrepreneurs may then come to understand how different life-style decisions can impede or facilitate new venture success. 

The women interviewed for this study do not constitute a representative sample of entrepreneurs. Their stories need to be told in a larger context. However, it is doubtful that these stories are unique. Examining organizations in different industries, different stages of growth and profitability, and different organizational forms would contribute to our understanding and awareness of the need – and potential – for change. 

Women need to understand better the demands of business ownership so that they can embark on entrepreneurship with realistic expectation and requisite skills, and acknowledge the support systems that they will need if they are to succeed. In addition to managerial and financial training, women and men alike need to understand the emotional and economic impact that starting a business will have on the entrepreneur herself, her spouse, family, children, and the overall family unit as well as the organizational enterprise.

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Entrepreneurship: not an easy path to top management for women

Joan Winn


Further reading

