



The Role of Women in Founding Top Startups Worldwide

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Abstract: *The work investigates the role of women as co-founders of globally successful startups, particularly their impact on the company's mission and vision. The authors' initial research on entrepreneurial and organizational profiles in top startups worldwide underlined that the presence of women as co-founders of globally successful startups is very limited (Giusepponi, Tavoletti & Tosi, 2019). The study presented here highlights that a female presence in the founding team supports the sharing of the vision and the effectiveness of the mission, and these elements are reflected in the organizational culture, specifically in the sense of corporate belonging and cohesion. This study is based on secondary sources derived from advanced analyses in terms of connections between variables within the startups studied. From an advancement perspective, the research could be deepened by studying other impact profiles and, considering that it is here limited to 109 top global startups, extended to other entrepreneurial realities.*

1. INTRODUCTION

Women are increasingly playing a leading role in international business but the public debate among practitioners is focused on careers inside MNEs, work-life balance in large organizations, and the percentage of women in top hierarchical positions. There is not the same attention to the role of women in top startups worldwide and their entrepreneurial contribution to the founding and growth of those global players: how frequently are women part of the founding team? What is the benefit of their role and contribution?

Gender studies in business have focused mainly on the presence of women as CEOs and corporate officers in MNEs and well-established leading Fortune 500 companies (Catalyst, 2019a, 2019b). While academic research on women's entrepreneurship is extensive (Jennings & Brush, 2013; Cardella et al., 2020), limited attention is paid to the role of women in founding teams of globally successful startups and international new ventures. The words "startups" and "ventures" are entirely and significantly missing from the World Economic Forum Global Gender Gap Report (2018, 2021) despite the growing interest of the international business academic community in international new ventures (Vacarini et al., 2017).

Our recently published research on entrepreneurial and organizational profiles in top startups worldwide fills that gap (Giusepponi, Tavoletti & Tosi, 2019). This study reveals that the presence of women as co-founders of globally successful startups is as limited as in top positions of MNEs and leading Fortune 500 companies. We underline here that, despite being rare, the presence of women has a positive impact on vision, mission, and organizational cohesion.

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2. RESEARCH DESIGN AND METHODS

The research covered 109 startups valued at 1.1 billion US dollars or more according to the list available at The Billion Dollar Startup Club (Austin, Canipe & Slobin - Dow Jones Venture Source and The Wall Street Journal; access: 2017).

The list only includes privately held companies that have raised funds in the past four years with at least one venture capital firm among their investors (Ibidem). The list includes famous names such as Uber, Lyft, Airbnb, Dropbox, BlaBlaCar, Qualtrics, Pinterest, and many others. Distinguishing the gender of the co-founders was possible for all but 2 of the 109 companies surveyed. Among the 107 valid elements, 97 companies were found to have only male co-founders and only 10 with at least one female co-founder. The startups with at least one woman co-founder are located in California (6), New York (1), Singapore (1), China (1), and Germany (1).

The considered startups were analyzed for what concerns their strategic perspective, with attention to different profiles, particularly focusing on the *level of shared vision*, the *effectiveness of mission* and the *organizational culture as a sense of belonging*. These profiles were observed and evaluated based on online information and resources: companies' websites, the Dow Jones Venture Source, The Wall Street Journal, LinkedIn, Crunchbase Pro, Bloomberg, Glassdoor, AngelList, Quora, interviews released by the founders, and other corporate actors. However, the assessment of the organizational sense of belonging has been made based on what emerged from the statements of employees and other corporate actors. These statements were drawn mainly from online sources other than companies' websites.

Table 1. Rating scale

SCORE	0	1	2	3	4	5
MEANING	(worst performances) highly	widely	slightly	slightly	widely	(best performances) highly
	negative			positive		

Source: Own elaboration

The evaluation was carried out using a 0 to 5 rating scale as shown in table 1. This even (vs odd) scale was chosen because it requires analysts to choose between a positive or negative intermediate value (that is between “slightly positive” and “slightly negative” in our case), avoiding the risk of non-choice potentially linked to a unique central value. The evaluation was based on a process of rigorous comparison. Within the sample, 0 was given for the worst performances and 5 for the best; the other scores were attributed following a comparative and differential approach. Two researchers cross-checked their independent evaluations until a consensus had been reached to assure homogeneous and consistent evaluations (Giusepponi, Tavoletti & Tosi, 2019). The assessment was done when the sub-groups of startups with women co-founders had not been identified, and gender issues were not the main purpose of the research.

3. FINDINGS

Out of the total 234 co-founders (men and women), 11 women (4.70%) and 223 men (95.30%) have been observed. The figure concerning women is dramatically low, especially considering that we are studying top startups worldwide; however, these numbers are in line with the 5% of women (25) currently holding CEO positions at SP 500 companies (Catalyst, 2019b) and the

4.7% Fortune 500 board leadership position with women (Catalyst, 2019a). As the low figure refers to co-founders, it cannot be explained by a preexisting masculine organizational culture as for MNEs or Fortune 500 companies. The reason for the very low number of female co-founders has to be searched in the business environment outside corporations, in startups success drivers, investors' preferences, and gender-differentiated motivations for launching a startup.

The *level of shared vision* concerns the strength of the corporate vision as stated in companies' websites, strategic lines, and interviews with the founders and other actors. The *effectiveness of the mission* regards the incisiveness, characterization, and strength in terms of the orientation of the actions shown by the mission as declared and disseminated online. The *sense of belonging* is observed here as a reason and result of individual commitment and involvement in the organization and studied as a fundamental factor of organizational cohesion and culture.

Table 2. Level of shared vision and effectiveness of mission: mean values

	Level of shared vision (average)	Effectiveness of mission (average)	Organizational culture as a sense of belonging (average)
Startups with women co-founders	4.22	4.67	3.50
Startups without women co-founders	3.04	3.86	2.87
All startups considered	3.14	3.93	2.89

Source: Own elaboration

Based on our results, 10 companies with women co-founders expressed an average *level of shared vision* of 4.22 (vs average values of 3.14 for all the startups, and 3.04 for startups with only men as founders). They also expressed average *effectiveness of the mission* of 4.67 (vs average values of 3.93 for all the startups, and 3.86 for startups with only men as founders). In terms of a *sense of belonging*, they expressed an average of 3.50 (vs average values of 2.89 for all the startups, and 2.87 for startups with only men as founders) (table 2).

Table 3. Pearson correlation coefficient (ρ)

	number of women co-founders	level of shared vision	effectiveness of mission	organizational culture as a sense of belonging
number of women co-founders	1	0,22**	0,20**	0,17*
level of shared vision	0,22**	1	0,54***	0,45***
effectiveness of mission	0,20**	0,54***	1	0,17*
organizational culture as a sense of belonging	0,17*	0,45***	0,17*	1

Significance: * $P < 0.10$; ** $P < 0.05$; *** $P < 0.01$

Source: Own elaboration

The number of women co-founders can be observed in positive correlation both with the *level of shared vision* ($\rho = 0.22$) and with the *effectiveness of the mission* ($\rho = 0.20$). Therefore, a positive role of women co-founders emerges in the strategic contextualization and finalization. Furthermore, their contribution to strategic design and communication, in terms of sharing and focusing, also suggests possible positive links with organizational cohesion. In fact, our data reveal that the number of female co-founders positively correlates with an organizational culture that emphasizes a sense of belonging to the startup – highlighting a statistically significant Pearson correlation coefficient, equal to 0.17 (table 3). This result is of critical importance for

practitioners and managers who are committed to supporting and advising a founding team, as there is evidence that the presence of women adds value to the organization, with special reference to cohesion, shared vision, and effectiveness of the mission.

Furthermore, the fact that the strategic profiles of the mission ($\rho = 0.17$) and, above all, of the vision ($\rho = 0.45$) are in positive correlation with the sense of belonging (table 3) was also observed. It is thus possible to conclude that a female presence in the founding team supports the *level of shared vision* and the *effectiveness of mission*, and these elements are reflected in the organizational culture, specifically in the sense of corporate belonging and cohesion (figure 1).

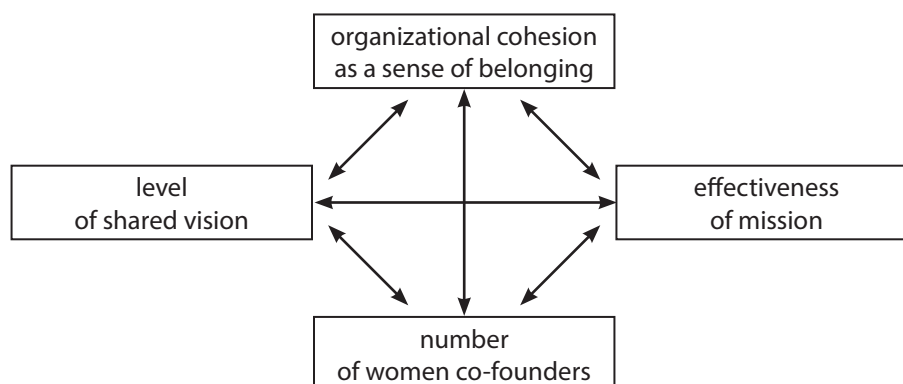


Figure 1. Women co-founder, strategic orientation and sense of belonging

Source: Own elaboration

The implications for managerial practice cannot be underestimated: the involvement of women in the founding team is beneficial for developing corporate belonging and cohesion. Some representative examples of female co-founders of globally successful startups are provided below.

Nichole Mustard, who went from being a trainee manager at Pizza Hut to being a co-founder of Credit Karma (a \$4 billion startup making consumer credit scores easier for people to see and monitor), is representative of a contribution to organizational cohesion. She underlines the importance of motivation in achieving challenging objectives, and she highlights how having not only financial perspectives is important for sustaining risks and constant changes: «“I love people,” [...] *“there were people I wanted to be with,” she said of her cofounders. “To do this in a way that’s really actually helping consumers and not just making money, that feels great.”*» (Bort, 2018).

Adi Tatarko, co-founder of Houzz (a startup that helps people remodel their homes based on her individual experiences), is an example of determination in building a shared vision, including letting people go when they do not fit the company’s vision and goals: «“When someone is not a good fit, it’s better to let go sooner rather than later. [...] *It’s all about the people. The people that help us build Houzz all over the world day-to-day and the people that are part of the Houzz community*”» (Krishna, 2017).

Amy Pressman, co-founder of Medallia (a startup leader in customer experience management software), is an example of effectiveness of mission for her ability to promote a culture of direct connection between customers and employees: «If you want to help employees thrive, don’t focus on perks, being “hot,” or buzzwords. Instead, connect employees to the impact of their work. [...] *In my experience, a great way to help employees understand their impact is to connect them to customers.*» (Weiner, 2018).

Tan Hooi Ling, co-founder of Grab (Southeast Asia's mobile technology company that connects consumers to drivers and businesses), is representative of the importance of focusing on strategic orientation through a continuous problem-solving approach and a constant drive towards enhancement: «As many Grab employees would attest, it is not uncharacteristic of Ling to jump into “problem-solving” mode. At the company she oversees strategy, people operations and new business, spending much of her work day in meetings to analyze how best to take the company forward» (Soo, 2019).

Jessica Schultz, co-founder of HelloFresh (a global recipe kit delivery service), underlines the importance of a «big vision», beyond the fear of failure, because it is «a key to continuous improvement» and «you are only learning when you don't see what lies ahead» (Northzone, 2019).

4. DISCUSSION AND CONCLUSIONS

By revealing that the number of women co-founders in globally successful startups is very similar to the number of CEOs in SP 500 companies, our research removes any easy-escape explanation to be found in the organizational culture of big businesses, confirming that the obstacles women face in their careers are embedded in business environments external to business organizations, as well as in social ecosystems worldwide (Berger & Kuckertz, 2016; Bullough et al., 2022).

The work positions itself in the management literature that provides evidence about the enriching role of women in startups (Berger & Kuckertz, 2016), their limited presence (Kanze, 2018), and the obstacles they face in getting funding (Kuschel et al., 2017). It contributes to this available literature by focusing on the presence of women in the founding team of the 109 most successful startups globally; the positive role of women in strategic design, communication, and the consequences for the development of organizational culture with a sense of belonging and cohesion. Therefore, it integrates and explains the reported evidence that, despite being a minority, «businesses founded by women ultimately deliver higher revenue—more than twice as much per dollar invested—than those founded by men, making women-owned companies better investments for financial backers» (Abouzahr et al., 2018). It also provides a different picture of the top successful global startups concerning previous regional studies that reported slightly less strong skill of strategic vision among women, compared to men (Kuschel, Labra & Díaz, 2018).

The results have strong implications for practitioners and managers because, by revealing that the presence of women in global startups is as low as in MNEs and Fortune 500 companies, they remove the widespread idea that gender discrimination is limited to hierarchy and big corporations' masculine culture. On the opposite, the limited presence of women in the founding teams of globally successful new ventures shows that the issue extends to markets and business environments. No one is exempted from taking affirmative action, not even practitioners with limited responsibility. That is because we reveal that the presence of women is beneficial for cohesion, corporate culture and sense of belonging, shared vision and effectiveness of mission in a very critical area for world innovation and future prosperity: the founding of the most globally successful startups.

As our sample is limited to the 109 most globally successful startups, we hope that our framework and analysis will be theoretically replicated, as well as regarding the specific industry and national settings to better understand which skills more frequently observed in women are particularly relevant to these perspectives. Furthermore, improving the analysis through interviews directly addressed to founding teams and their associates would be useful for more robust research.

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AUTHORS' CONTRIBUTIONS

KG and ET jointly undertook the research project, carried out the study and wrote all sections of the manuscript.

