

LITERATURE STUDY: ENTREPRENEURIAL LEADERSHIP AS A CATALYST FOR WOMEN-LED STARTUP GROWTH

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ABSTRACT

This study aims to analyze the implications of entrepreneurial leadership for strengthening the startup ecosystem, particularly in the context of women entrepreneurs. The background of this research is based on the phenomenon of increasing female participation in the digital entrepreneurship sector, which requires the support of visionary, innovative, and inclusive leadership to be able to compete in the modern economic era. With this focus, this study seeks to explain how entrepreneurial leadership can encourage business sustainability, expand networks, and create a positive impact on the entrepreneurial ecosystem. The research method used is a literature study with a descriptive qualitative approach. Data were obtained through a systematic review of scientific articles, international reports, and the latest research results relevant to the issue of entrepreneurial leadership and the startup ecosystem. The analysis process was carried out through the categorization of themes, synthesis of information, and comparison between findings to produce a comprehensive understanding. The results and discussion show that entrepreneurial leadership not only encourages internal startup growth but also has a domino effect in expanding employment opportunities, increasing women's participation in the digital economy, and strengthening their representation in the competitive business world. Furthermore, this leadership plays a role in accelerating the integration of innovation and cross-sector collaboration, ultimately optimizing the entrepreneurial ecosystem. Support from the government, financial institutions, and business incubators is essential for the sustainable development of women's entrepreneurial leadership capacity.

Key words: entrepreneurial leadership; startup; entrepreneurial ecosystem; female entrepreneurs; digital economy

INTRODUCTION

Entrepreneurship has long been considered a key driver of economic growth, job creation, and innovation across various sectors. In recent decades, the development of the startup ecosystem has further emphasized entrepreneurship's role in global economic transformation. Startups are known for being dynamic, flexible, and focused on solving real-world problems with innovative approaches. Amidst this growing ecosystem, women's involvement in founding and leading startups is increasing, and they are beginning to occupy a strategic position on the global entrepreneurial landscape. Women-led startups not only contribute to the economy but also play a crucial role in fostering a more inclusive, humanistic, and sustainability-oriented leadership perspective.

Despite the increasing prominence of women's participation in the startup ecosystem, significant challenges remain. According to the Global Entrepreneurship Monitor (2023), women's involvement in business founding lags behind men's in many countries. Key barriers include limited access to funding, a lack of business networks and mentoring, and socio-cultural barriers that place women at a disadvantage in the competitive business world. This situation is exacerbated by persistent gender stereotypes, often underestimating women's success in leading startups. However, numerous studies confirm that women possess adaptive, empathetic, and collaborative leadership skills, which are essential for managing startups, which are fraught with risk and uncertainty.

Recent data shows that women-led startups do face funding disparities. A Tracxn report (2024) noted that women-led tech startups worldwide raised only around US\$29.6 billion, down from US\$33.1 billion the previous year. This figure remains significantly lower than that of male-led startups. Ironically, the number of unicorns (startups with a valuation above US\$1 billion) led by women actually increased significantly, from six in 2023 to 14 in 2024. This demonstrates that despite limited access to funding, strong entrepreneurial leadership can be a catalyst that accelerates the growth of women-led startups globally.

A similar situation is also seen in India, one of Asia's startup growth hubs. Women-led startups in the country now account for around 18% of the total startup ecosystem, with fintech, e-commerce, and enterprise technology being dominant sectors. Interestingly, funding for women-led startups in India is projected to surge to US\$930 million by 2024, a 94% increase compared to 2023. This phenomenon demonstrates that when female startup leaders are able to implement an entrepreneurial leadership style—visionary, innovative, and willing to take risks—they can attract investors and significantly expand their market.

Indonesia also offers an interesting perspective. According to the Central Statistics Agency (2021), 64.5% of MSMEs are managed by women, making them crucial players in driving the national economy. Women-owned MSMEs have proven to be more resilient in the face of crises, such as during the COVID-19 pandemic, where many of the businesses that survived were managed by women. However, despite their dominant presence, Indonesian women entrepreneurs still face the same obstacles: limited access to business capital and digital technology. To this end, the government has launched several programs, such as the Super Micro Business Credit (KUR) specifically for housewives, financial literacy training, and MSME digitalization programs to strengthen

their competitiveness. However, this structural support still requires synergy with the right leadership style for women-led startups to truly thrive.

In this context, the concept of entrepreneurial leadership becomes relevant. Renko et al. (2015) define entrepreneurial leadership as leadership focused on innovation, opportunity orientation, calculated risk-taking, and adaptability to changes in the business environment. Entrepreneurial leadership not only relies on administrative functions but also requires leaders to inspire, build long-term vision, and empower teams to create sustainable value. Research by Bagheri and Pihie (2011) confirms that entrepreneurial leadership has been shown to increase innovation and organizational performance, while another study by Zhang et al. (2024) on companies in China shows that female CEOs with an entrepreneurial leadership style are able to reduce the company's financial constraints, including limited cash flow and access to capital.

Furthermore, the application of entrepreneurial leadership in women-led startups not only provides business benefits but also has significant social impact. Women-led startups tend to pay more attention to sustainability, social justice, and issues close to community needs, such as health, education, and family welfare. With innovative and inclusive leadership, women-led startups can create a more balanced entrepreneurial ecosystem that is responsive to social needs. This aligns with the objectives of the Sustainable Development Goals (SDGs), particularly point five, which focuses on gender equality and women's empowerment.

Against this backdrop, the study of Entrepreneurial Leadership as a Catalyst for Women-Led Startup Growth is crucial. This study seeks to uncover how entrepreneurial leadership can help women overcome structural barriers, maximize their potential, and drive sustainable startup growth. In addition to providing theoretical contributions to enrich the literature on entrepreneurial leadership, this research is also expected to have practical implications for policymakers, investors, and business mentors in creating a more inclusive ecosystem for women-led startups.

METHOD

The research method used in this study is a qualitative study with a descriptive-analytical approach based on a literature review. This study utilizes various credible secondary data sources, including international journal articles, reports from global research institutions (such as Global Entrepreneurship Monitor, World Bank, and BCG), as well as industry and business media reports (PitchBook, Tracxn, Forbes, CNN Business). The data was analyzed thematically to identify patterns of structural barriers, the role of entrepreneurial leadership, and the dynamics of the female startup ecosystem in various countries. This approach allows researchers to comprehensively integrate empirical evidence and theoretical perspectives, resulting in a more in-depth picture of the challenges and opportunities for women-led startups in the context of the digital economy and the global entrepreneurial ecosystem.

RESULTS AND DISCUSSION

The Role of Entrepreneurial Leadership in Startup Growth

Entrepreneurial leadership is highly relevant in the startup context because it requires leaders to be visionary, adaptive, and opportunity-oriented. These characteristics include the ability to build a future vision, take calculated risks, and create innovations capable of competing in the global market. Renko et al. (2015) explain that entrepreneurial leadership combines traditional leadership behaviors with entrepreneurial actions that encourage teams to innovate and move quickly amid uncertainty. In women-led startups, this leadership style has proven to accelerate the transformation of business ideas into sustainable ventures.

Global data shows that women's participation in entrepreneurship continues to grow significantly. The Global Entrepreneurship Monitor (GEM, 2023) reported that around 17% of women worldwide are involved in founding new businesses, a substantial increase compared to the previous two decades when female participation remained below 10%. This growth is closely linked to entrepreneurial leadership capabilities that enable female founders to transform resource limitations into opportunities through collaboration, digital technology adoption, and business model innovation (GEM, 2023).

However, women-led startups still face structural barriers, particularly unequal access to funding. A 2022 PitchBook report revealed that only around 2% of global venture capital funding is allocated to startups founded by women. This gap reflects persistent gender bias in the startup ecosystem, where investors often doubt women's ability to manage large-scale business risks. Brush et al. (2018) argued that many female founders overcome these barriers through bootstrapping, crowdfunding, and business community networks. Consequently, entrepreneurial leadership encourages women entrepreneurs to become more innovative in securing alternative resources and building professional networks.

A prominent example of entrepreneurial leadership is Bumble, founded by Whitney Wolfe Herd. Bumble was created with the vision of giving women greater control in online dating interactions. This visionary strategy differentiated the platform from competitors and generated rapid growth, culminating in an IPO in 2021 with a valuation exceeding USD 13 billion (Forbes, 2021). The case demonstrates how entrepreneurial leadership based on user understanding and business innovation can create strong market value despite gender-related barriers.

In Indonesia, women-led startups have also contributed significantly to strategic sectors. One example is Sorabel, previously led by Jeny Tjahyawati, which introduced a "try-before-you-buy" business model in the

fashion e-commerce sector (Tech in Asia, 2020). Although the company eventually closed due to financial challenges, the case illustrates how entrepreneurial leadership can drive disruptive innovation. Many Indonesian female founders are now entering the digital economy through e-commerce and social media, proving that entrepreneurial leadership can strengthen competitiveness despite resource constraints.

These findings indicate that entrepreneurial leadership not only improves the competitiveness of women-led startups but also contributes to economic inclusion and innovation diversity. Visionary leadership enables women entrepreneurs to develop adaptive and creative business models that address both social and economic needs. Gupta, Turban, and Bhawe (2008) emphasized that women with entrepreneurial leadership capabilities bring new perspectives to business innovation processes, thereby expanding opportunities for previously marginalized groups.

Women-led startups also play an important role in strengthening national economies through job creation and business diversification. Brush, De Bruin, and Welter (2009) highlighted that women's entrepreneurship has strategic potential in increasing economic participation, particularly in developing countries. Entrepreneurial leadership rooted in innovation and vision enables women leaders to navigate market uncertainty while maintaining business sustainability.

External support is equally important for startup growth. Brush and Cooper (2012) emphasized that the success of women-led startups increases when supported by mentoring, incubation programs, and fairer access to financing. This finding aligns with Aidis, Welter, Smallbone, and Isakova (2007), who identified limited access to capital and business networks as major obstacles for female entrepreneurs. Therefore, strengthening a gender-responsive entrepreneurial ecosystem remains essential for maximizing entrepreneurial leadership among women founders.

Challenges Faced by Women-Led Startups

Women-led startups continue to face interconnected structural barriers that hinder business growth. These challenges include limited access to financial resources, gender bias in investment decisions, inadequate mentoring and professional networks, and socio-cultural expectations that restrict women's business opportunities. Brush et al. (2009) identified lack of capital and networks as major gaps causing women entrepreneurs to operate on smaller scales compared to male founders. This aligns with industry reports showing that all-female founding teams received only around 1–3% of global venture capital funding between 2022 and 2024 (PitchBook, 2022; Tracxn, 2024; The Anna, 2024). Such limitations reduce opportunities for research and development, market expansion, and talent recruitment.

Gender bias in investor evaluation further widens the funding gap. Eddleston, Ladge, Mitteness, and Balachandra (2016) found that investors often assess women entrepreneurs more critically, even when their business proposals are comparable to those of men. Similarly, BCG (2021) reported that female founders receive more skeptical questions regarding market validation and financial projections. This situation makes it more difficult for women-led startups to secure later-stage funding such as Series A and beyond.

The low representation of women in venture capital firms also reinforces these inequalities. According to the Financial Times (2023), women remain underrepresented in investment decision-making roles, reducing the likelihood of positive homophily, where investors support founders with similar backgrounds. PitchBook (2022) noted that fewer than 15% of partners in major VC firms are women, while Gompers and Wang (2017) found that female investors significantly increase the likelihood of funding for women-led startups.

Another major challenge is the "double burden" faced by female entrepreneurs. Jennings and Brush (2013) explained that women often balance domestic responsibilities with professional obligations, limiting the time and flexibility needed for networking, incubation programs, and fundraising activities. This burden also reduces willingness to take business risks, slowing startup scaling processes.

Limited access to mentoring, incubation, and global entrepreneurial networks creates additional barriers. Major startup ecosystems remain concentrated in regions such as Silicon Valley, Shenzhen, and Bengaluru, making it harder for women founders in developing countries to access investors and strategic partners (World Bank, 2022). As a result, many female entrepreneurs rely on alternative strategies such as bootstrapping, crowdfunding, and community-based collaboration (GEM, 2023). While these approaches support survival, their growth potential is generally lower than venture capital financing.

Programs designed specifically for women entrepreneurs, including female-focused accelerators, co-investment initiatives, and women angel investor networks, have shown positive effects on access to capital and mentoring (GEM, 2024). However, the coverage of these initiatives remains limited, especially in developing countries (OECD, 2021). Consequently, broader policy interventions are still required to improve inclusion and networking opportunities for female founders.

Despite these obstacles, empirical evidence demonstrates that women entrepreneurs can achieve highly competitive outcomes when given equal access to resources. A Boston Consulting Group study (2018) found that women-led startups generated 78 cents in revenue per dollar invested, compared to only 31 cents for male-led startups. Reports from the Female Founders Fund (2025) also indicate increasing successful exits among women-

led startups, particularly in fintech and healthcare. These findings suggest that the primary barrier lies not in women's entrepreneurial capabilities, but in unequal access to resources and opportunities.

Case studies further illustrate these dynamics. Bumble is frequently cited as a rare success story in the women-led startup ecosystem, achieving public market success through a strong female-first differentiation strategy (CNN Business, 2021). Nevertheless, PitchBook (2022) and Kanze et al. (2018) emphasized that such success stories remain exceptions, as only a limited number of women-led startups have reached unicorn status or completed IPOs.

At the regional level, similar patterns appear in countries such as India, where funding for women-owned startups has increased but remains disproportionate to the number of female founders (Tracxn, 2024). GEM (2023) also confirmed that although women's participation in entrepreneurship in South Asia is relatively high, limited funding access keeps many women-owned businesses at small and medium scales.

Overall, entrepreneurial leadership helps women founders address internal barriers through innovation, adaptability, and strategic resource management. However, structural barriers—including limited access to late-stage funding, gender bias, and restricted business networks—still require systemic intervention. The World Bank (2022) recommended affirmative policies such as co-investment schemes, female angel investor networks, and cross-border mentoring programs to reduce these inequalities.

Implications of Entrepreneurial Leadership for the Startup Ecosystem

The findings demonstrate that entrepreneurial leadership not only influences startup growth internally but also generates broader impacts on the business ecosystem, particularly for women entrepreneurs. Visionary and adaptive leadership accelerates innovation, creates employment opportunities, and encourages women's participation in the digital economy. A McKinsey Global Institute report (2018) estimated that reducing gender gaps in entrepreneurship and employment could contribute an additional USD 12 trillion to the global economy by 2025, highlighting that women's leadership is both an equality issue and a driver of economic growth.

Inclusive entrepreneurial leadership also strengthens women's representation in the startup ecosystem. GEM (2023) reported that women's participation in entrepreneurship globally has reached 17% and continues to rise, particularly in technology-based sectors. Female startup leaders serve as role models who inspire broader participation among women across different industries. An IFC study (2021) further found that women leaders tend to create collaborative organizational cultures and respond more effectively to diverse consumer needs.

Another implication is the development of a healthier support ecosystem. Entrepreneurial leadership encourages collaboration between startups, incubators, accelerators, and investors. Success stories such as Bumble and Grab show that visionary leadership combined with innovation can increase investor confidence and strengthen market trust (Forbes, 2021; PitchBook, 2022). However, achieving broader ecosystem impact requires stronger institutional support through inclusive financing, mentoring programs, and gender-responsive regulations.

Finally, entrepreneurial leadership contributes to broader socio-economic transformation. The World Bank (2022) emphasized that empowering women through entrepreneurship positively affects family welfare, education, healthcare, and community development. Therefore, strengthening women's entrepreneurial leadership is not only important for startup performance but also for achieving inclusive and sustainable economic development.

CONCLUSION

Women-led startups inherently have significant growth potential, but remain hampered by various structural barriers. These barriers include limited access to funding, gender bias in the investment process, and limited professional networks and mentorship. These conditions often stall the growth of women-led startups in the early stages and prevent them from reaching larger scale. These challenges are not a reflection of women's lack of entrepreneurial capacity, but rather a result of the unequal distribution of resources within the entrepreneurial ecosystem. In response, female founders are adopting adaptive strategies such as bootstrapping, crowdfunding, and digital innovation to maintain business continuity. The case of Bumble demonstrates that visionary entrepreneurial leadership can lead female-led startups to global success, although such examples remain rare. Therefore, the combination of visionary leadership from internal founders and ecosystem support in the form of affirmative action policies, inclusive funding access, and ongoing mentoring programs is key to strengthening the role of women-led startups in the economy and ensuring their sustainable growth.

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