

Aotearoa Centre for Enterprising Women research snapshots

Unlocking the entrepreneurial potential
of women in Aotearoa New Zealand
through research and education.

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“Involuntary exit for personal reasons” – Why more women entrepreneurs “choose” to exit their businesses

“Voluntary” exit from a start-up conjures up images of empowered entrepreneurs happily choosing to make a harvest sale, issue an IPO, retire or return to employment. Exits for – seldom specified – “personal reasons” are deemed voluntary and uneventful. Mostly only exit for business failure or poor performance counts as involuntary. Such bright-line, basically economic categories are useful for statistics. But they leave unanswered questions like why more female than male exiters cite personal reasons. Bright lines blur under scrutiny. Notable new research* moots the notion of involuntary exit for personal reasons, by exposing a societal paradox that ensnares women entrepreneurs: *forced voluntarism*.

To specify the full, gendered stories behind the statistics, the researchers interviewed 16 women founders in the UK who had exited their start-ups citing personal reasons, not a financial or performance issue. Those reasons always came down to irreconcilable household and business demands and often to heavily gendered child and eldercare responsibilities. Frequently, men’s careers came first. For instance, one beauty therapist closed her business to look after the children because her husband’s career was so demanding. And the co-founder of a medical testing startup sold it under perceived pressure from her husband, a co-founder, to invest that time and money into his other businesses instead.

The ten who had or planned to have children gave this as the main reason. One disclosed that the health reasons she had alluded to meant IVF. Another had diverted time to supporting her sister, to whom she had been egg donor, through the loss of the resulting premature twins.

Delving into emotions and how the women made sense of their exit decisions put further flesh and blood into their reasons. Sensemaking means trying to understand things that are ambiguous or go against our expectations. The very need for sensemaking, and the turmoil of pre- and post-exit emotions between regret, relief and resentment, showed that exits were seldom simple, autonomous acts. A few founders were positive throughout; most worked through many negative pre-exit feelings to reach some positive post-exit ones. Sensemaking thus took place in stages. In future, longitudinal studies might track those stages.

The women rationalised their exit decisions by reverting to role expectations on them to prioritise family. Many had bought into the neoliberal narrative that self-employment would offer flexibility and autonomy. Reality laid this bare as a myth: a postfeminist paradox flowing from a fundamentally male skew on entrepreneurship. Exiters quelled the dissonance by blaming themselves for failing to see through this supposed opportunity to “have it all”.

By piercing the voluntary/involuntary dichotomy and dissecting personal reasons, the researchers call for a new conversation, recognising that often business and personal expectations on female founders are incompatible. Policies should stop presenting self-employment as a cost-free solution for women; at times, it is a poor choice. Networking sites where female entrepreneurs currently swap tips would be one place to start that conversation.

* The full article by Janine Swail and Susan Marlow is available as “Involuntary exit for personal reasons’ – A gendered critique of the business exit decision”, *International Small Business Journal*, OnlineFirst, 19 June 2024 (Open Access) <https://journals.sagepub.com/doi/10.1177/02662426241256266>