The Obstacles of Female Entrepreneurship in Silicon Valley

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It is the first day of my spring quarter. After being exposed to so much diversity and so many ideas and experiences at Stanford thus far, I am excited to see how I will spend the remaining days of my freshman year. I stumble into my writing class, “Money for ‘Nothing’: The Rhetoric of Silicon Valley,” a few minutes late. I walk through the door of room 322 to be greeted by the laughs of fifteen males arranged in rectangular desk formation, as they laid their eyes on the only female in their class—me.

My peers and I immediately recognized the obvious disparity in gender in the class. Familiar with the Silicon Valley stereotype, I prepared myself to be outnumbered by men. I was not, however, expecting to be outnumbered by a 15 to 1 ratio. Freshmen are placed in writing classes according to each individual’s ranked preferences; thus, Stanford actually ended up conducting a simulation of the broader realm of Silicon Valley. By having individuals choose which topic most appealed to them, Stanford showed that it was mostly males that wanted to discuss Silicon Valley. My class was only one example of the gender imbalance seen in many high-tech companies, evident in the lack of female CEOs at these institutions. Women represent a paltry 4.2% of Fortune 500 chiefs (Sellers, 2012), and they create only 8% of venture-backed tech start-ups (Miller, 2010). On the other hand, several powerful women have become successful female tech entrepreneurs such as Marissa Mayer of Yahoo, Sheryl Sandberg of Facebook, or Cher Wang of HTC, but these seem to be the exceptions. These women have broken past the barriers to achieving high-level status. Only now are they idolized for their extraordinary accomplishments.

Just as I was singled out on the first day of my writing class as my peers noted the clear gender divide, women in the tech world are singled out and treated differently than men. This makes it difficult for women to secure funding for startups from venture capitalists, such that they raise 70% less money than men (Seligson, 2012). On the one hand, some argue that Silicon Valley is a meritocracy, and the gender imbalance results from the fact that females are simply not as interested in the tech world. These people believe that those who are interested actually end up having an advantage since there are so few female tech entrepreneurs. On the other hand, others argue that women have been faced with obstacles and
disadvantages that keep them from bridging the gender gap. By investigating this topic, we can gain insight into gender differences and inequality as well as discover ways to ameliorate the problem. Despite claims of Silicon Valley as a meritocracy, women are discouraged from pursuing tech due to Silicon Valley’s history of male dominance and embedded stereotypes. In addition, if women do decide to pursue tech entrepreneurship, they face discrimination that affects performance. In the following paper, I will examine history, statistics, and personal accounts to determine the barriers women must overcome to succeed in tech and explain why these barriers should cease to exist.

I. History in the Making
The lack of female tech entrepreneurs in Silicon Valley stems from the lack of female tech workers in general, a continuous trend from the very beginnings of the Valley in the 1950s. There is a historic precedent of women in Silicon Valley taking on prominent leadership roles and experiencing extraordinary success, especially in the realm of politics. Glenna Matthews (2002) in her book *Silicon Valley, Women, and the California Dream: Gender, Class, and Opportunity in the Twentieth Century*, notes that women held a lot of power, even lobbying for a 1973 Commission on the Status of Women to “eliminate sex discrimination in housing, employment, education, and community services” (p. 197). Thus, most people would think that at a time women were rising to such power, women would find themselves on an equal level with men in all realms. But this was not the case. The realm of tech went largely untouched by women until the late 20th century. How is it, then, that Silicon Valley was dubbed “the feminist capital of the nation” while women did not even have a substantial claim to the tech world in the heart of Silicon Valley (Matthews, 2002, p. 183)?

Although women were able to serve prominent roles in realms such as politics and conservation, the tech world remained quite closed off from them. If women could not even break into the tech world under male leadership, they were even less likely to start their own tech companies. Kathleen Melymuka (2000), in her profile of IT women in Silicon Valley for Computer Inc., found that “Silicon Valley culture developed without much input from women” (p. 1). From the very beginning then, women were left out of the growth of the Valley. A distinct culture developed—work-obsessed and male-dominant, where “the two modal patterns in the Valley as of 1980 were male business-as-usual and male hacker” (Matthews, 2002, p. 207). To put it another way, women failed to fit the stereotype and were forced to succeed in other realms to exert their influence.

Despite lacking influence in the Valley, women were still affected by its culture. While the national divorce rate doubled after 1960, the national divorce rate in Santa Clara County, the region of Silicon Valley, tripled, even leading to the name of “the silicon syndrome” to describe the high
divorce rate among workaholic engineers (Stacey, 1990, p. 25). Though early women of the Valley were not a significant part of the tech world like their male counterparts, they were still affected by it as the long work hours took a toll on family life. In summary, despite being left out of the growth of the Valley, women were negatively affected by its tech culture from the beginning.

II. The Obstacles: Workplace, Family, and Stereotypes
In this section, I will outline the differences in men and women that seem to prevent women from either engaging or succeeding in the tech world, and then I will narrow my focus to tech entrepreneurship. To do this, it is necessary to understand why women in general are deterred from the tech world before we can discuss the realm of entrepreneurship. I understand that in my definition of “women,” I certainly cannot generalize 50% of the gender spectrum, but studies point out significant differences in men and women overall, and I will proceed to highlight these while taking care to not overgeneralize.

Women in tech are a minority whereas men are at the top of the status quo. In his book Accidental Empires: How the Boys of Silicon Valley Make Their Millions, Battle Foreign Competition, and Still Can’t Get a Date, Robert Cringely (1992) states that “fitting in is the root of the culture.” Women obviously cannot fit in on a physical level; this gives rise to at least subconscious discrimination. Melymuka (2000) of Computer Inc., found that when making decisions, men tend to “go with their guts” (p. 2). To put it bluntly, men feel more comfortable around other men, so men tend to get promoted more than women since other men are promoting them. This treatment, however, goes deeper than promotions and into informal conversations. The natural tendency for men to hang around with other men means that women miss out on valuable assets—informal mentoring and other opportunities (Melymuka, 2000, p. 2). Thus, women are at a disadvantage because they are excluded from informal interactions.

In addition to missed opportunities, women have negative experiences in tech workplaces that discourage them from pursuing a career in tech. In a study by the Level Playing Field Institute (2011), it was found that “women (specifically women in large company settings)…were much more likely than their counterparts to encounter exclusionary cliques, unwanted sexual teasing, bullying, and homophobic jokes.” The study showed that being a female is a predictor for a negative workplace experience. The very fact that females were underrepresented meant that they were treated differently in the workplace. As a result of these biases, women were less likely to feel that they had a career path at their current company or that they were adequately developing their skills and abilities, discouraging them from pursuing a technical career (LPFI, 2011). The National Center for Women and Information Technology supports this conclusion, finding that 56% of women with technical jobs leave their
work midway through their careers, with double the turnover rate for men (Miller, 2010). Naturally, most tech entrepreneurs gain experience in the tech field before starting their own companies, so if women leave these jobs, they never gain the experience typical of entrepreneurs. If women are discouraged from tech in general, they are even less likely to have the confidence necessary to start their own businesses.

Another obstacle that women face that prevents them from tech entrepreneurship is family life. Women are mothers who have to take care of children. This is a stereotype in itself that we will explore later, but it remains that many women have a community or family orientation, which inhibits them from working the long hours deemed necessary in the Valley’s tech world. Marilyn Hollinger of Oracle Corporation says, "You're not seen as dedicated if you're not at your desk at 7 a.m." (as cited in Melymuka, 2000, p. 2). Women are torn between two cultures, attempting to fit the family mold of a caretaker and the work mold of the ruthless tech worker. Many working women attest to the difficulties of balancing work and family, especially in the work-crazed culture of Silicon Valley. Eva Chaing, Chief Technology Officer at Trend Micro Inc. says, "The tremendous working hours and pressure are much harder for a woman trying to take care of the family" (as cited in Melymuka, 2000, p. 4). Family life contributes to the expectation that women are not fit for the culture of Silicon Valley, making it difficult for women to devote as much of their time as men do. Claire Miller (2010) supports this argument in an opinion piece for The New York Times, saying, “The tech start-up lifestyle isn’t hospitable to child-rearing. That’s why... many young women prefer working at big companies to starting their own” (p. 1). Along these lines, CEOs and leaders at tech corporations are expected to dedicate even more of their time to their companies, taking a larger toll on family life and preventing women from taking on these powerful roles. Because women have a caretaking role, they are less likely to devote the hours or energy necessary to attain powerful positions or start their own companies.

The work culture of Silicon Valley only intensifies the pressure women face in the workplace. Matthews (2002) depicts the competitive mindset in the Valley: “To engineers—really good ones, interested in making progress—the best of all possible worlds would be one in which technologies competed continuously and only the best technologies survived” (p. 160). With constant competition comes constant work, which leads to the sleepless hours of both engineers and entrepreneurs in the tech world. Sheryl Sandberg (2013), Facebook COO and author of Lean In: Women, Work, and the Will to Lead, has firsthand experience of being a female entrepreneur in the tech world and in making it to the top. She acknowledges the dedication necessary for Silicon Valley environments: “Technology, while liberating us at times from the physical office, has also extended the workday” (p. 77). Thus, Sandberg reinforces Matthews’s view that Silicon Valley culture work and progress-obsessed. The intense pressure of the workplace interferes with a woman’s
traditional duties to family life, preventing many from being involved in tech. Matthews (2002) concludes that the women who do work at tech firms have “had to deal with such intense work pressures that she has occasionally found them to be overwhelming” (p. 212). I am not saying that women are less adept at handling work pressure than men. However, when women, as a stereotyped minority, face the pressure of the Silicon Valley tech world, these pressures add to the other obstacles they face, building a larger barrier to success.

The perception of women underlies the other disadvantages women face in the tech world. It affects their actions, the actions of their colleagues, and how others perceive them, which determines their success or failure. It amplifies the pressure of the work environment by emphasizing certain aspects of tech culture such as its male dominance. The stereotype that women are not fit for the tech world is affirmed in both men and women. Sandberg (2013) writes, “If we want a world with greater equality, we need to acknowledge that women are less likely to keep their hands up” (p. 24). Women feel discouraged due to their stereotype. As Sandberg (2013) puts it, “The gender stereotypes introduced in childhood are reinforced throughout our lives and become self-fulfilling prophecies. Most leadership positions are held by men, so women don't expect to achieve them, and that becomes one of the reasons they don't” (p. 16). When we picture a tech geek, we imagine a nerdy, scrawny, white guy with glasses hunched over a computer screen and cut off from society, not Barbie. It is this image of a successful techie that discourages girls from pursuing tech in the first place.

The view of tech as a strictly male profession has negative implications for females in that it propagates the stereotype that females do not belong in the tech world. Stromberg and Harkess (1978), in their book *Women Working: Theories and Facts in Perspective*, acknowledge that the realm of tech entrepreneurship is sex-typed for males, leading to members of the minority sex becoming occupationally salient (p. 268). Therefore, when a man messes up in the workplace, it is not as noticeable as when a woman does. Stromberg and Harkess (1978) observe that “a woman in a male profession…is forced to be self-conscious, burdened by the feeling that she is ‘on’” (p. 268). This insecurity is inevitable in the work-driven culture of Silicon Valley. The psychological phenomenon of stereotype threat is defined as performing worse when a person has the potential to confirm a negative stereotype about one’s group. Women can subconsciously be cognizant of their stereotype, and this leads them to undersell themselves and decrease their chances of success, only re-affirming the stereotype that women are not fit for the tech world.

Pierre Bordieu’s practice theory coincides with stereotype threat to demonstrate how self-perceptions can be detrimental, especially in the Silicon Valley environment. “Bordieu’s practice theory argues that what we do for a living and how we live our lives determines to a large extent our outlook on the world, and that, in turn, determines our decisions and
actions in ways that tend to reproduce our circumstances,” Amanda Elam (2008) notes in her book, *Gender and Entrepreneurship: A Multilevel Theory and Analysis* (p. 87). Since women have perceived limits on what they can do to change due to their stereotypes, their outlook on the world is changed, and they tend to confirm their stereotypes. Why would women want to start a tech company if they are under the impression that they do not belong in tech in the first place? If women think they do not belong in tech, they may be afraid of failure, since that is what is expected of them. Amanda Elam (2008) analyzed gender and entrepreneurship and found that fear of failure was highly correlated with startups, decreasing the likelihood of becoming a nascent entrepreneur by about 70%. Thus, women who are likely to fear failure because of stereotype threat are less likely to start their own companies.

It is not only how women perceive themselves but also how the rest of Silicon Valley sees them that presents an obstacle for female tech entrepreneurs. Kathryn Minshew, co-founder of The Muse and one of Inc’s “15 Women to Watch in Tech,” was trying to raise money for a growing female-focused job site; however, at every turn she found herself confronted with the fact that she was a woman (Davis, 2013). Minshew, like so many of her fellow female founders, had to overcome additional obstacles in order to raise money. Some investors may be wary when investing in a female-owned start-up for several reasons. By investing in a company run by a man, an investor does not have to worry that the company will be unsupported when the founder is pregnant or will not flourish because the founder has a family. Craig Paige, an angel investor, invested in Jessica Jackley’s ProFounder.com only to find out that she was pregnant a few weeks later, and although he believes in giving everyone an equal opportunity, he could not help but speculate, “A pregnant founder/CEO is going to fail her company” (as cited in Davis, 2013). While this thought has merit given the time pregnancy takes away from work, the very fact that Paige had these thoughts confirms the existence of the female stereotype. A pregnancy can be treated as an operation. If a man had an upcoming operation, most investors would not be worried about the fate of the company, but the possibility of a woman being pregnant is treated as a ticking time bomb. VCs often ask women questions they would not ask men. For example, “stories of VCs asking women entrepreneurs uncomfortable questions—mostly related to their commitment after maternity—are not uncommon. A woman co-founder being mistaken for a secretary is not rare either” (“Be it Silicon Valley…”, 2012). I concede that the worries of some venture capitalists are not groundless, as pregnancy can provide instability to a company; on the other hand, by assuming that all women will be pregnant or by making decisions based off appearances, investors only reinforce the obstacles presented by stereotypes. By differentiating females from males, investors make unfair assumptions that limit females. Determined entrepreneurs,
regardless of gender, are maniacally driven, and gender should not be a determining factor of worth. The combination of perceptions of self and perceptions by others contributes to the shortage of female tech entrepreneurs. If women are discouraged, then they will undersell themselves; however, in order to attract investors, it is necessary to sell oneself convincingly. It also does not help that of the top 30 venture capitalists, not one of them is a woman (Fidelman, 2011), and of the rest of the venture capitalists who control the purse strings for a majority of tech start-ups, just 14% are women (Miller, 2010). Since venture capital is a dominantly male network, it leads to a tech industry dominated by males. Investors tend to keep investing in men because men have a history for providing solid returns. Unfortunately, since the Valley started as male dominant, it remains this way.

Now I would like to address the view that so few women are in tech simply because they do not want to be in it. Christina Sommers (2013), a writer for The Atlantic, is a proponent of this view. She notes that the difference in personalities between men and women is the “largest and most robust in the more prosperous, egalitarian, and educated societies” (Sommers, 2013). However, I would say that a portion of the discrepancy in personality traits in men and women is rooted in our culture; the differences are large and robust because our culture has exacerbated them, just as it has promoted the male-dominant culture of Silicon Valley. Although I grant that women may be deterred from tech entrepreneurship because they are not interested in it, I still maintain that they are not interested in it because they are already set in their ideas of what girls should be doing. Ken Auletta (2011), in an article for The New Yorker, claims, “One reason there are few female executives in Silicon Valley is that few women become engineers. In the United States, less than twenty per cent of engineering and computer-science majors are women.” It is necessary to trace this point farther back. Why is it that so few engineering and computer science majors are women? I assert that stereotypes shape our personalities and perceptions of the world from birth. We then choose our interests, but this has already been tainted by what our culture dictates. The preconceived notions that prevent female tech entrepreneurship are rooted in our society.

III. The Other Side: Silicon Valley as a Meritocracy

Though Silicon Valley prides itself on operating as a raw meritocracy, where the best succeed, the women from the personal accounts above seem to boast a different narrative. On the other hand, there are also those who think women are at an advantage. These views, however, can be reconciled. I have already demonstrated how women are at a disadvantage, but now I will proceed to evaluate the claim that women are actually at an advantage in Silicon Valley, since there are so few of them. This is important to consider because we must take into account all views to challenge our popular conception of Silicon Valley as a meritocracy. Only
then can we prove that Silicon Valley is a dysfunctional meritocracy where women are unequal with men. Although the argument that women are at an advantage has merit, I still insist their supposed advantages do not effectively counter the disadvantages women face.

Some claim that people are actually over-eager to bring more women into the tech industry. Michael Arrington (2010), a founder of the tech and startup blog TechCrunch and an entrepreneur himself, maintains this view. He gives anecdotal evidence to argue that the problem is not that “Silicon Valley is keeping women down, or not doing enough to encourage female entrepreneurs. The opposite is true. No, the problem is that not enough women want to become entrepreneurs” (Arrington, 2010). Arrington recalls multiple times when his company needed women speakers to speak at conferences, and even after begging women to come speak, only 10% of the speakers end up being women. He thinks the reason for this is that “[women] are literally hounded to speak at every single tech event in the world” (Arrington, 2010). In other words, Arrington claims that he cannot round up enough female speakers because they are too sought after. He asserts that women actually have an advantage as entrepreneurs, since the press and venture capitalists invite them into the Valley with open arms to increase diversity. Although Arrington seems to be a credible source with his first-hand experience, he is also a biased source with the stereotypes inherent in society. He cannot claim that women are at an advantage in Silicon Valley off personal experience alone.

It makes sense that the top female tech entrepreneurs are sought after for the sake that there are so few of them; however, the reason that there are so few of them is that they are at a disadvantage from the beginning. Therefore, once women get to the top, after navigating through biases and gender prejudice, then they are idolized for their achievements. To take a case in point, let us examine Marissa Mayer, one of the top names in tech. She believes that “women have more opportunities in Silicon Valley because there’s no entrenched hierarchy there” (as cited in Auletta, 2011). Mayer therefore is the prime example of the Silicon Valley dream since she was able to move through the ranks of the meritocracy to become the CEO of Yahoo; however, this does not mean that Mayer did not face the competitive disadvantages of being a woman. She merely had the opportunity to progress through the hierarchy of Silicon Valley. Silicon Valley is a meritocracy to the extent that women can eventually make it to the top, but not everyone starts out on a level playing field. Sometimes thinking one is disadvantaged actually motivates a person to do better, an effect opposite of the threatening stereotype. Paula Camporaso, President of IT at Legato Systems Inc. says, “A lot of people create their own reality through their own perception of disadvantage” (as cited in Melymuka, 2000, p. 2). Thus, I acknowledge that Silicon Valley may end up being a meritocracy in the end, where the more highly motivated win out; however, as recent studies show, this does not mean that women are on an equal playing field from the start. There is evidence that women can
succeed, but it is harder for them to succeed in the work-obsessed, male-
dominant Silicon Valley meritocracy due to gender prejudice.

IV. The Need: Why is There No Female Steve Jobs?
Entrepreneurship is the basis of free enterprise, giving vitality to a market
economy and influencing the way we work and live through personal
computers, software, and other technological innovations. By increasing
diversity in entrepreneurship, we improve the advancement of society and
business. Diversity can be beneficial to organizations “by increasing
customer satisfactions, reducing costs associated with training and
development, and improving profits through innovation and increased
sales” (Markovic, 2007, p. 138). Thus, it is beneficial to do away with the
gender prejudice facing female tech entrepreneurs so that more women
can engage in entrepreneurship to increase diversity and better businesses.

While it is true that progress has been made since 1970, when women
held 4% of professional jobs in the Valley and 0.5% of the managerial
ones (Matthews, 2002, p. 209), women still make up nowhere near half the
realm of tech that one would suppose in an occupation that was not sex-
typed. Actions are being taken to expedite progress; there is even a
computer scientist version of Barbie (Miller, 2010). However, this is only
a doll in the right direction. There need to be real-life role models for
young girls to look up to. The obstacles detailed above prevent women
from even thinking about engaging in tech entrepreneurship, and nothing
is going to change until either more women face the challenge or the
biases themselves disappear.

If this problem is addressed, it will only have positive results for
society (so long as progress does not come at the cost of hiring unqualified
people). Sandberg speculates “more female leadership will lead to fairer
treatment for all women” (p. 99). As number of female leaders increases,
women will gain more respect by being represented subconsciously on an
equal plane in everyone’s eyes. Whereas most of the population can think
of Steve Jobs, Bill Gates, Mark Zuckerberg, or Jerry Yang as examples of
successful tech entrepreneurs, big female names come to mind less
readily. Stereotypes of the techie archetype will continue to exist until
there is a combatting force of strong female tech entrepreneurs, and this
will only be possible if people recognize the obstacles that women must
overcome in tech, entrepreneurship, and the intersection of both. It is up to
employers to limit biases in the workplace. It is up to females to fight past
stereotypes and discrimination. Women can offer both talent and insight to
the tech industry. They will come up with the best ideas for women. After
all, it is women who are driving our economy (Seligson, 2012). Thus, if
more women are integrated into the tech sector, it will have implications
for our economy through possible growth, for technology through
advancement, and for society through gender equality.

V. Conclusion: Women Today and Tomorrow
The current state of women in tech is dismal. Despite the fact that Silicon Valley has a history of women taking on prominent leadership roles, female leaders in tech are not as abundant as they should be to account for half of the gender spectrum. As I have demonstrated, this is due to many reasons, such as Silicon Valley history and culture, entrenched stereotypes in girls, and an endless cycle of men preferring men. Although women may have an advantage at some stage in their tech careers, I suggest that this does not outweigh the disadvantages that women have to face at every turn to get to that point. Sheryl Sandberg may be extremely sought-after and widely publicized for breaking the male dominant status quo, but even she acknowledges the subtle biases that prevent other women from joining her field.

However, there is hope for improvement. As awareness of this problem increases, more women will be available to act as role models and mentors. Girls will be encouraged to pursue their interests rather than shy away from them due to stereotypes. If we cannot admit a problem in the first place, then we cannot address it. The next generation of girls aspiring to engineering careers and women entering the field can initiate a shift in the status quo; they can be empowered to have the confidence to start their own companies, companies which will satisfy the needs of women. If we are right about the significant contributions women can make to the tech world through economic growth, technological advancement, and gender equality, then major consequences will follow for society as a whole. Seeing more prominent female leaders in our society can only lead to more respect for women through equal representation. Although the lack of female tech entrepreneurs may seem of concern to only a small population of people in tech or Silicon Valley, it should in fact concern anyone who cares how the girls of today will fit into the future of tomorrow.
References


