

What does Research say on how to improve Access to Skills for Women-owned or Led Small and Medium Enterprises?

WHAT IS THE WE-FI EVIDENCE PAPER?

The [We-Fi Evidence Paper](#) reviews existing evidence on what works and what does not work in supporting Women-owned or Led SMEs (WSMEs) in developing countries and maps this evidence along the impact pathways of the four focus areas in We-Fi's Theory of Change: Access to finance, access to skills, access to markets, and an enabling environment. The evidence maps show where evidence is limited, emerging or strong and highlight several knowledge gaps where more evidence is needed.



For access to the **full evidence paper**, [click here](#).



For access to the **searchable database** of publications used in the evidence paper and this snapshot, [click here](#).

Women's entrepreneurship can be a key driver of a country's prosperity. Women entrepreneurs are developing innovative solutions to help solve problems in their communities, create jobs, boost economic growth, and drive social change. Yet women entrepreneurs face policies, institutional biases, and social norms that disempower them. To make a difficult situation worse, the pandemic and other compounding crises have disproportionately impacted women-led businesses. The Women Entrepreneurs Finance Initiative ([We-Fi](#)) aims to break down these barriers and help Women-owned or Led Small and Medium Enterprises (WSMEs) in developing countries grow.

This snapshot, focused on skills and knowledge, is part of a series which highlights select research findings and evidence gaps from the We-Fi evidence paper. Snapshots are released for the four We-Fi focus areas (access to finance, access to skills, access to markets, and an enabling environment) and other topics.

WHAT ARE THE CHALLENGES FACED BY WSMEs?

Evidence points to gaps between men and women entrepreneurs in formal education, management, financial and technical skills, and socio-emotional skills.¹

¹ Gender Innovation Lab. 2019. "Profiting from Parity - Unlocking the Potential of Women's Businesses in Africa." World Bank Group, Washington, DC. <https://openknowledge.worldbank.org/bitstream/handle/10986/31421/135420-ProfitingfromParityFullReport.pdf?sequence=1&isAllowed=y>

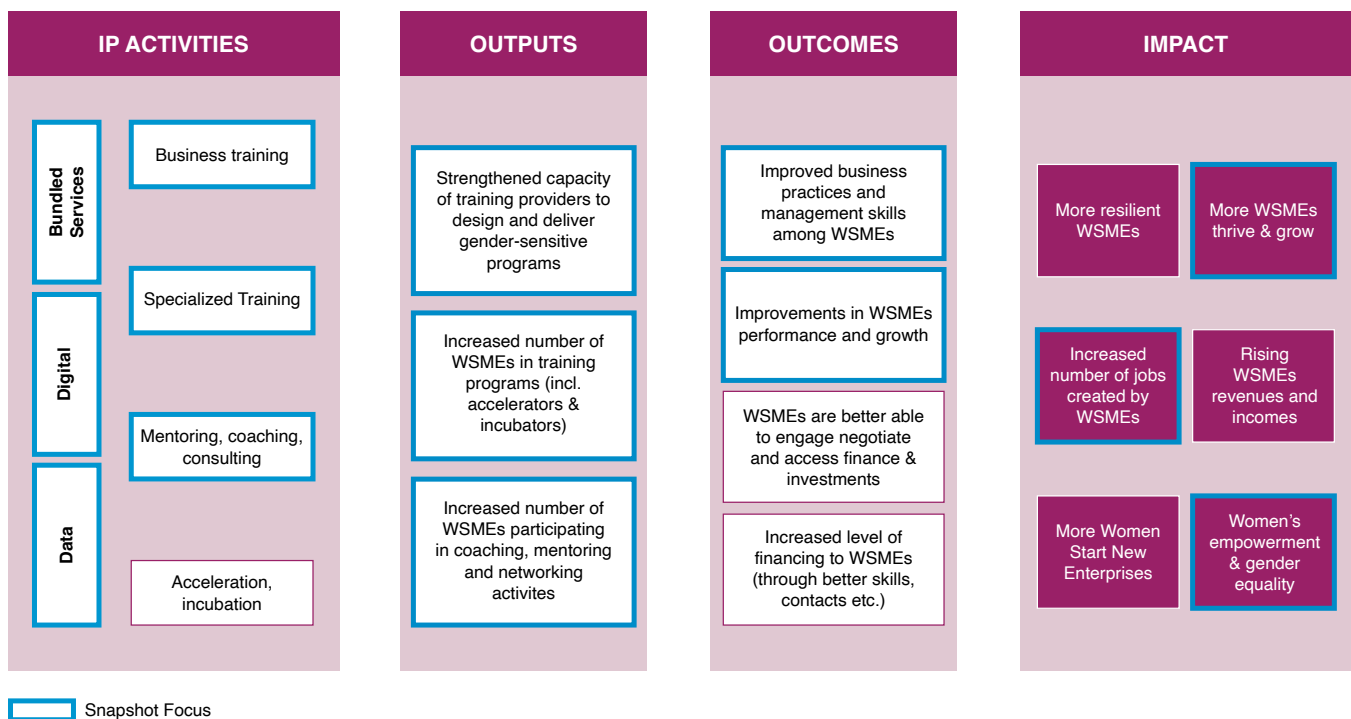
Women entrepreneurs are less likely to demonstrate confidence in their abilities and participate in training programs including business trainings, specialized trainings, accelerators, or incubators.

- ◆ Women are less likely than men to feel that they have the skills, knowledge, and experience to start a business.²
- ◆ Only 13% of applicants to accelerator programs are women-led teams compared to 52% men-led and 35% mixed teams.³
- ◆ Globally, only 35% of STEM students in higher education are women, of which a mere 3% pursue studies in information and communication technologies (ICT).⁴

THEORY OF CHANGE

Addressing the complex challenges faced by WSMEs requires multi-dimensional approaches, innovative tools, and a cross section of stakeholders. This snapshot focuses on the ‘Access to Skills’ component of We-Fi’s Theory of Change. It lays out how different inputs and activities (e.g., business training, specialized training, mentoring, coaching, or consulting) are intended to stimulate short-term outputs (e.g., increased number of WSMEs participating in and completing training programs), medium-term outcomes (e.g., improved business practices and skills, increased firm performance) and long-term changes (e.g., higher productivity, job creation).

WE-FI’S ACCESS TO SKILLS THEORY OF CHANGE:



² European Commission and OECD. 2017. “Policy Brief on Women’s Entrepreneurship.” <https://www.oecd.org/cfe/smes/Policy-Brief-on-Women-s-Entrepreneurship.pdf>

³ GALI. 2020. “Accelerating Women-led Startups: A Knowledge Brief by the Global Accelerator Learning Initiative.” https://www.galidata.org/assets/report/pdf/accelerating_women_led_startups_final.pdf

⁴ UNESCO. 2020. “Cracking the code: girls’ and women’s education in science, technology, engineering and mathematics (STEM).” <https://unesdoc.unesco.org/ark:/48223/pf0000253479>

We-Fi's Access to Skills Theory of Change explains how **training programs** (incl. business training, specialized training, mentoring, coaching, consulting, or acceleration) are intended to improve women's business practices and increase business growth. Currently, most SME training programs are not designed taking into consideration the specific needs of women-led SMEs (gender + SME focus), which can make trainings less accessible and relevant for women-led SMEs.⁵ This may lead to a gender imbalance in trained entrepreneurs, resulting in a lower number of women equipped with skills, knowledge, and confidence to grow their business.⁶

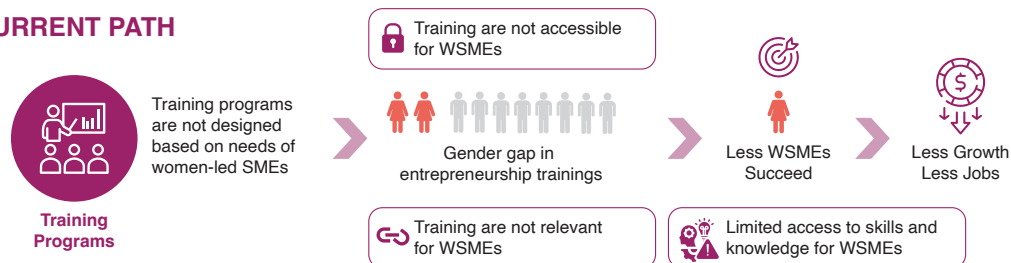
The hypothesis is that **a gender-inclusive and SME-specific training design** may help reach a **higher number of WSMEs** and help more WSMEs successfully utilize training through more relevant content. Moreover, due to enormous heterogeneity in the types of firms, different approaches are likely to be

needed for different segments of WSMEs. A gender-inclusive and SME-specific training design should consider the following elements:

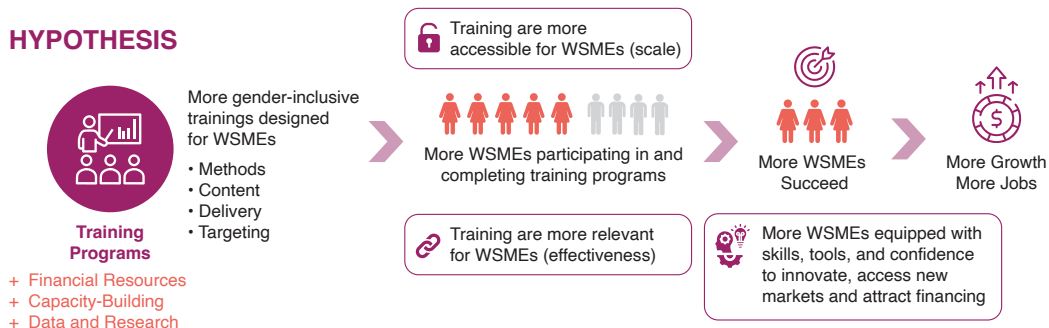
1. **Training methods** (e.g., business training, mentoring, coaching etc.)
2. **Training content** (e.g., business skills, soft skills, digital skills, or technical skills)
3. **Training delivery** (e.g., in-person, hybrid, or remote trainings)
4. **Targeting** (e.g., segmentation and selection of WSMEs)

Ultimately, the hypothesis is that a gender-inclusive and SME-specific training design will improve WSMEs' **access to knowledge and skills enabling more WSMEs to grow and increase productivity and employment.**

CURRENT PATH



HYPOTHESIS



⁵ KcKenzie and Woodruff. 2021. "VoxDevLit: Training Entrepreneurs." <https://voxdev.org/lits/training-entrepreneurs>

⁶ Gender Innovation Lab. 2019. "Profiting from Parity - Unlocking the Potential of Women's Businesses in Africa." World Bank Group, Washington, DC. <https://openknowledge.worldbank.org/bitstream/handle/10986/31421/135420-ProfitingfromParityFullReport.pdf?sequence=1&isAllowed=y>

PRELIMINARY RESEARCH FINDINGS AND EVIDENCE GAPS

The following highlights preliminary research findings on access to skills and outlines persistent evidence gaps where more research is needed. While this is not a full overview of all findings and available studies mentioned in the evidence paper, it aims to provide a useful framing of insights.

TRAINING METHODS

What training methods (e.g., traditional classroom-based training, consulting, mentoring etc.) are effective in improving business skills and firm performance for women-led SMES?

Most of the available evidence is focused on *traditional classroom-based business training* for women micro-entrepreneurs where evidence on effectiveness is often mixed and the importance of context specificity highlighted (e.g., characteristics of trainers).⁷ With medium- and large-scale enterprises, classroom-based business training has been less used, as established business owners tend to look for a more customized, individually tailored approach.

Offering bespoke support services like *coaching or consulting* has shown some promising results for small, medium, and large firms. [Evidence from Tanzania focused on women entrepreneurs with small businesses](#) found that participants in business trainings supplemented by tailored *coaching services* were more likely to adopt new business skills and practices. Moreover, results show that these effects are larger for entrepreneurs with more experience. An [experiment with micro, small-, and medium-sized firms in Mexico](#) found that *consulting services* had a large impact on firm performance – sales increased by 80 percent and profits by 120 percent. However, the findings were not disaggregated by gender. [A study with small firms in Nigeria](#) compared the effectiveness of business training, consulting, insourcing workers

EVIDENCE GAP #1: EFFECTIVENESS OF DIFFERENT TRAINING METHODS

As most available evidence focuses on the impacts of traditional business training on micro-entrepreneurs, more studies specifically focused on women-led SMEs (and different segments of WSMEs) are needed to explore the effectiveness of different training methods on business practices and firm performance. Bespoke support services (like mentoring or consulting) have shown some promising results, but more studies specifically focused on SMEs that measure gender-separate effects are needed. Moreover, such bespoke services are expensive, and it is not clear how to scale programs. More evidence on the marginal cost and benefits of different training methods is needed to better understand how they can be scaled in an affordable way. Evidence on the effectiveness of incubators and accelerators (incl. investment readiness programs) for high-growth startups in developing countries is still limited and more work is needed to unpack individual program components to assess their impact, scalability, and cost-effectiveness. Generally, there is an evidence gap on the longer-term impacts of training programs on women's business creation, productivity, job growth or women's economic empowerment.

⁷ Based on rigorous studies (McKenzie and Puerto 2017; Alibhai et al. 2016; Bardasi et al. 2017) and meta-analyses (McKenzie 2021; Cho and Honoratia 2014)

with functional expertise, and outsourcing tasks to professional specialists. Results showed that insourcing and outsourcing⁸ were more effective in improving business practices than business training and at least as effective as consulting at one-half of the cost. The study did not measure gender-separate effects, except for indicating that women entrepreneurs were more likely to choose a marketing specialist (rather than an accountant).

There is also emerging evidence that alternative approaches to training like *mentoring or peer interactions* are effective ways for gaining better business practices. [An experiment with women-owned micro-enterprises in Kenya](#) found a substantial short-term effect of mentoring, with profits of treated enterprises increasing by 20%. The effects, however, disappear about a year after the treatment begins. [A study with SMEs in China](#) shows that firms might also be able to improve business practices through learning from each other. The authors found that regular small group meetings among managers increased revenues by 8 percent but did not disaggregate findings by gender.

Lastly, offering training programs in combination with capital might increase effectiveness. [Non-sex-disaggregated evidence from Chile](#) shows that non-monetary services provided by accelerators can affect performance when bundled with cash grants. Different meta-analyses show that bundling training programs with capital might be more effective in improving women's business practices and business performance than offering training programs or capital alone (also see Snapshot on Access to Debt Financing). For example, a [meta regression analysis](#) using 37 impact evaluation studies shows that business trainings combined with cash grants seem to yield better results in improving business practices as well as business performance.

EVIDENCE GAP #2: EFFECTIVENESS OF BUNDLED SERVICES

Further rigorous studies are needed to explore the effectiveness of different combinations of financial support with non-financial services apart from traditional business training (e.g., capital + socio-emotional training; capital + mentoring; capital + consulting etc.) to measure the differentiated effects on WSME business growth for providing these products/services separately vs. together. Studies should focus on specific segments of WSMEs to explore what bundled services are most effective for what types of WSMEs. Additionally, it is crucial to consider the cost-effectiveness of these approaches and assess how bundled services can be offered cost-effectively.

⁸ Insourcing refers to recruiting accounting or marketing specialists as full-time employees (insourced worker), while outsourcing refers to contracting accounting and marketing service providers (outsourced professional)

TRAINING CONTENT

How can training content be designed to effectively improve business practices and firm performance of women-led SMEs?

Helping women entrepreneurs grow small businesses by teaching them formal business skills like record-keeping, marketing, financial planning etc. has yielded mixed results. Training content specifically designed for women entrepreneurs focused on topics like gender stereotypes, family responsibilities, or work-life-balance may help women overcome gender barriers to firm growth, enter different sectors, or better manage segregating household and business tasks. [An experiment with small businesses in Kenya](#) found significant improvements in profits and sales when standard business topics are combined with gender-relevant topics. Moreover, specialized trainings focused on SME-specific topics (e.g., MBA-style training for executives or trainings focused on public procurement or corporate value chains) may have a role in helping women-led SMEs. [A study with medium-sized firms in Liberia](#) demonstrated the positive impacts that a week-long training on public procurement can have on the business performance of small businesses. The non-sex-disaggregated results indicate that firms that participated win three times as many formal contracts.

Both personal initiative and heuristics-based training show promise for women micro-entrepreneurs. [Evidence from women micro-entrepreneurs in Ecuador](#) indicates that heuristics-based (rule-of-thumb) training could be more effective in teaching business concepts and improving firm performance than traditional business training. There is also emerging evidence that soft skills / psychology-influenced training curricula (incl. self-efficacy, self-confidence, leadership, creativity, risk propensity, mental health etc.) can promote behavioral change, shift attitudes, and increase firm performance. [An experiment with micro-enterprises in Togo](#) found that women micro-entrepreneurs who participated

in a personal initiative training (focused on initiative, perseverance, and resilience) increased their profits by an average of 40 percent compared to 5 percent for traditional business training. Personal initiative training has also been tested in several other countries and although the average impacts on profits and sales are positive, there is considerable heterogeneity in the impacts across different studies. It is unclear what the upper limit on firm size should be for these programs, as they may be less effective for entrepreneurs who already have strong aspirations and initiative.

EVIDENCE GAP #3: EFFECTIVENESS OF SKILLS TRAINING MIX

More SME-focused evidence is needed regarding the curricula and mix of skills that works best in supporting women to grow their businesses. This includes more segment-specific research exploring which gender components are particularly useful and how components of business and soft skills trainings can be designed based on the specific needs of different segments of women-led SMEs. Although initial evidence on personal initiative training is encouraging, it is still not substantial enough to be conclusive and mainly focuses on micro-entrepreneurs, thus it is not clear if the findings hold true for SMEs and for what types and segments of SMEs. Moreover, no evidence on the effectiveness of digital skills trainings (e.g., focused on digital transformation, disruptive technologies, or digital platforms) could be found. Similarly, studies on how technical training programs can encourage women to train in non-traditional sectors and increase women's capacity to engage in male-dominated sectors are still missing and could bring valuable and much needed insights.

TRAINING DELIVERY

How can alternative delivery channels and operational adaptations of training programs increase the enrollment, participation, and graduation of women entrepreneurs and achieve better outcomes for women-led SMEs (i.e., improved business practices and firm performance)?

Digital technologies offer new ways how trainings can be delivered and potentially be more gender-inclusive, targeted, and cost-effective. However, there is only limited evidence on the effectiveness of alternative delivery methods, especially when it comes to sex-disaggregated outcomes. Available evidence is mainly focused on SMS messages, voice messages, and television edutainment, which overall have shown limited impacts. [A study with micro-entrepreneurs in Kenya](#) showed that massively scalable automated SMS business training can be effective in improving business outcomes for micro-businesses, while [evidence with micro-enterprises in the Philippines and India](#) found that sending voice messages on heuristics-based training leads to better business practices but no significant improvements in firm performance. However, neither of these studies measure sex-disaggregated outcomes.

Moreover, gender-specific delivery mechanisms and operational adaptations to reduce time, mobility, and care-related barriers for women entrepreneurs (e.g., schedule, cost, location, intensity etc.) seem to be an effective way to encourage the training participation and completion for women entrepreneurs. [Evidence on women-owned businesses in Pakistan and Nigeria](#) shows that offering wraparound services like transportation, support for childcare, or joint sessions with spouses can attract more WSMEs to training programs. [A study with micro and small businesses in India](#) found that business training significantly

increased participants' business activity, but only if they were trained with a friend. [Findings with micro-entrepreneurs in Togo](#) indicated that half-day sessions enabled women entrepreneurs to simultaneously run their businesses and fulfill family responsibilities. Moreover, entrepreneurs encouraged an enrollment fee, since they noted that people do not value things they receive for free. A scholarship option helped reach those entrepreneurs with financial constraints, particularly women.

EVIDENCE GAP #4: EFFECTIVENESS OF ONLINE TRAININGS

More gender-specific and SME-specific research is needed to better understand how different delivery channels and operational adaptations can favor women's participation in and completion of trainings. Studies exploring what delivery channels are best suited to deliver training programs and bring the best outcomes for WSMEs could bring important insights. No studies could be found yet on the effectiveness of online trainings (e.g., live classes on zoom or interactive self-paced assignments). More research is needed to explore how digital formats impact the effectiveness of different training methods (e.g., business trainings, mentoring, consulting) and what digital practices and design elements are most effective in driving WSMEs business growth for different types and segments of entrepreneurs.

TARGETING

Some training programs might only be effective for certain types of women-led SMEs, depending on the size, sector, and stage of their business development.

[A non-gender specific study with small businesses in South Africa](#) measured the variation in impacts that marketing vs. finance training had on different entrepreneurs and found that marketing skills are significantly more beneficial to firm owners who ex ante have less exposure to different business contexts (e.g., never travelled outside of Cape Town) and that entrepreneurs who have been running more established businesses prior to training benefit significantly more from finance skills.

This shows that programs could achieve greater impact by screening entrepreneurs on different characteristics (e.g., growth potential) and better matching entrepreneurs to the appropriate training method, content, and delivery. Understanding what skills to build for whom (or at what stage of the business life cycle) could lead to better outcomes for WSMEs.

EVIDENCE GAP #5: SEX-DISAGGREGATED DATA & SEGMENTATION FRAMEWORK

The lack of sex-disaggregated data is a considerable barrier to better understanding what works for whom and why. To date, there is still a low uptake of training providers in collecting and using sex-disaggregated data. Moreover, most of the existing academic studies do not delineate outcomes based on gender (also seen in this snapshot). It is critical that future research incorporates gender into study designs.

More and better data will also help create more detailed segmentation frameworks for targeted research to understand what training methods, contents and delivery channels are most effective for what types of women-led SMEs.



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