



Advancing Women in Leadership

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Full Length Research Paper

Understanding Leadership Deficiencies and Capital Challenges in Black Women-Owned Businesses

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Black women entrepreneurs play a vital role in the U.S. economy, launching businesses across diverse industries more expeditiously than their counterparts. Despite this growth, the lived experiences of Black female entrepreneurs in the beauty industry are permeated by challenges from conception through all stages of business development, including leadership deficiencies, capital constraints, and systemic barriers that threaten sustainability and profitability. The purpose of this qualitative, phenomenological study was to explore how Black women entrepreneurs apply effective leadership practices to access capital, enhance leadership skills, and navigate operational challenges. The theoretical framework for this inquiry was Transformational Leadership Theory, serving as a lens to examine how leadership practices shape business growth and operations. Guided by the research question: What effective leadership practices do Black women entrepreneurs in the U.S. beauty industry employ to access capital for investing in leadership development training, thereby enhancing their leadership skills, mitigating operational challenges, and improving profitability? Data was collected through semi-structured interviews with ten business owners and analyzed using Braun and Clarke's (2006) thematic analysis. Five key themes emerged: mentorship, education and training, funding, sustainability, and business operations. Findings revealed that limited access to capital, leadership development, and mentorship hindered business growth. Leveraging leadership practices fosters profitability and long-term sustainability. This study contributes to the literature on women's leadership by highlighting how Black women entrepreneurs can leverage effective leadership practices to expand their businesses and promote equity in underrepresented sectors.

Keywords: Black women entrepreneurs, beauty industry, leadership development, access to capital, operational challenges, business sustainability

Black women-owned businesses are the cornerstone of the economy. Black women started businesses in various industries at a higher rate than their counterparts (Jackson & Sanyal, 2019). Harvard Business Review (2021) reported that 17% of Black women were in the process of starting and operating a new business, and 42 % net of businesses were Black women-owned. However, only 3% had achieved sustainability (Kelley et al., 2021). The experiences of Black female entrepreneurs making a headway into the beauty sector permeated with challenges from the conception to all stages of development in their business (Forbes, 2021). McKinsey & Company reported that in 2022, Black-founded or Black-owned beauty brands made up 2.5 % of revenue in the beauty industry, yet Black consumers are responsible for 11.1 % of total spending on beauty products and services (McKinsey & Company, 2022). Even though Black consumers have substantial spending power, persistent disparities and barriers continued to hinder Black female beauty brands from achieving the same level of success as non-Black beauty brands (Forbes, 2021).

Despite the motivation to start new businesses, leadership deficiencies such as ineffective leadership practices, limited access to capital, and inadequate financial management skills were identified as the root cause of decreased productivity and sustainability, resulting in business failure (Bates et al., 2018). Wendell (2020) noted that some Black women business owners did not invest in leadership development training to enhance leadership skills. Therefore, they were unequipped with the necessary skills to meet their business goals and expectations. To understand leadership deficiencies in African American women-owned businesses in the beauty industry, gaining insight from Black women business owners through their lived experiences was imperative. The purpose of this study was to explore the perspectives of Black women business leaders in the U.S. beauty industry regarding the challenges of accessing capital for leadership development training and how this limitation impacts their ability to strengthen leadership skills, address operational issues, and improve business profitability.

Problem Statement

Poor leadership practices are a major contributor to reduced productivity, profitability, and employee retention across industries (Bates et al., 2018), costing organizations approximately 4% of annual sales and contributing to 7% of voluntary turnover losses that could be mitigated through stronger leadership strategies (Dutta, 2020). Although effective leadership has been shown to improve revenue growth by 2–3% (Campbell, 2020), many businesses continue to face financial setbacks due to ineffective leadership (Leslie, 2020).

The specific problem is particularly critical for Black women entrepreneurs in the U.S. beauty industry, who encounter persistent barriers to profitability and sustainability, largely stemming from limited access to capital for leadership development training. Without such investment, many struggle to manage operational challenges, enhance leadership capacity, and sustain long-term growth (Jackson, 2021; Marwah, 2018). Despite launching businesses at higher rates than their White counterparts (Jackson & Sanyal, 2019), only 3% of Black women-owned businesses succeed (Kelley et al., 2021), with inequities in venture capital access, just 1% of total funding allocated to Black-owned businesses, further compounding the challenge (Small Business Administration, 2022). Additionally, only 4% of Black-owned businesses remain open after 3.5 years, compared to the national average of 55.5% (Lesonsky, 2022), underscoring the urgent need for systemic support and targeted leadership development resources.

Purpose Statement

The purpose of this qualitative study was to explore the perspectives of Black women business leaders in the U.S. beauty industry regarding limited access to capital for leadership development, and how this affects their ability to enhance leadership skills, address operational challenges, and improve profitability. The study participants were 10 Black women beauty industry leaders in the northeastern United States. The research question guiding this study was: How do Black women entrepreneurs in the U.S. beauty industry access capital to support leadership development, enhance leadership skills, overcome operational challenges, and increase profitability? Research indicates that leadership deficiencies, ineffective practices, and insufficient funding are major barriers to profitability and sustainability, with evidence suggesting that overcoming these hurdles could increase revenue by approximately 20% (McKinsey & Company, 2022). Black women entrepreneurs often face limited business ownership and constrained leadership capabilities due to lack of training, education, and financial resources, and gaps in mentorship and skill development contribute to business failure (Mohammad & Islam, 2022). By identifying effective strategies for accessing capital and leadership development, this study aims to generate insights that will empower future Black women business owners to launch, grow, and sustain successful businesses, addressing both operational and systemic challenges while promoting economic equity (Adeoye & Olenik, 2021).

Gap in Practice

The gap in practice is that some Black women business owners do not receive or invest in leadership development training necessary to address operational challenges that affect profitability and long-term sustainability (Wendell, 2020). Jackson and Sanyal (2019) noted that some Black women business owners do not invest in leadership training to enhance leadership skills such as communication, strategic planning, and relationship building. Gambill (2021) commented that the lack of leadership skills can affect business performance and decrease productivity and revenue. Successful leaders seek leadership development to improve deficiencies in their leadership skills and address gaps to become better leaders (Campbell, 2020). Effective leaders possess the leadership skills needed for the execution of organizational strategies by aligning the team with the goals and vision for organizational success (Sales et al., 2020).

Literature Review

Understanding leadership in Black women-owned businesses and the challenges they faced in accessing capital for profitability and sustainability was vital, as these factors contributed directly to business success or failure (Jackson & Sanyal, 2019). The scholarly literature review examined research and studies that explained the obstacles Black women entrepreneurs encountered on their journey to business ownership (Leitch & Volery, 2017). The literature highlighted leadership deficiencies and identified strategies Black women business owners could employ to enhance their leadership and financial skills, including leadership development training and engagement with experienced practitioners (Jackson & Sanyal, 2019). Moreover, the literature demonstrated the critical role of experienced practitioners in supporting effective business operations (Turner & Endres, 2017). Consequently, this study aimed to gain a deeper understanding of the leadership challenges faced by Black women entrepreneurs and how these challenges influenced the operation and sustainability of their businesses (Wendell, 2020). Dutta (2020) stated that in 2022, only 0.39 percent of venture capital funding was allocated to Black women business founders. Gambill (2021) noted that this underrepresentation was primarily attributed to network barriers, limited human capital, gaps in leadership skills, and strategic decisions regarding growth, product development, and market positioning. Williams et al. (2020) and Busch (2022) argued that even rapidly growing firms with revenues exceeding \$1 million often struggle to sustain expansion without adequate financing. While prior research focused on objective barriers such as credit access (Decuypere & Schaufeli, 2020), recent studies highlighted the importance of leadership development, business knowledge, and access to networks as critical, yet often overlooked, factors influencing venture growth (Howard et al., 2019).

In addition to funding challenges, leadership development and mentorship are essential for business success. Ali and Islam (2020) reported that practitioner insights offer practical

strategies to navigate operational challenges and implement best practices. Ibrahim and Daniel (2019) highlighted gaps in collaboration and knowledge transfer between business owners and experienced practitioners, while Wendell (2020) emphasized that mentorship is critical for developing leadership capacity. Harvard Business Review (2021) stated that mentorship helps Black female entrepreneurs secure manufacturers and investors, make informed decisions, and strengthen leadership skills. McKinsey & Company (2022) and Bates et al. (2022) added that practitioner insights and mentorship enable entrepreneurs to overcome structural barriers and foster sustainable growth. Dutta (2020) noted that beyond funding, guidance from experienced mentors is crucial for navigating operational and strategic challenges.

Theoretical Framework

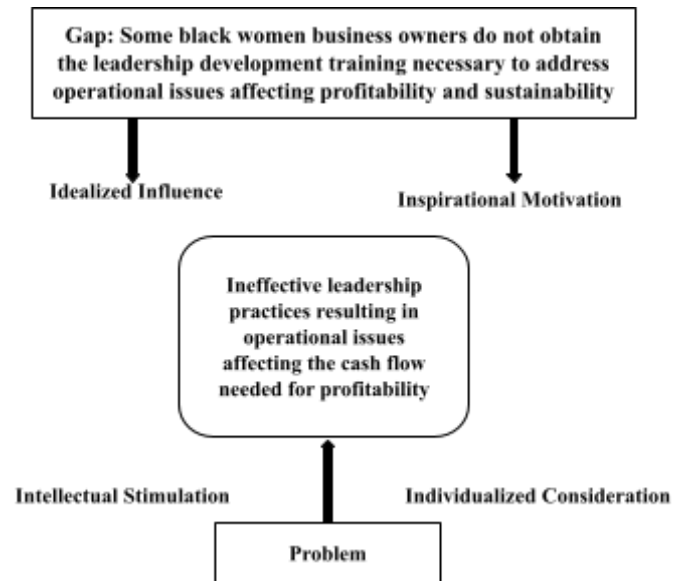
The theoretical framework for this qualitative inquiry study was the Transformational Leadership framework, because it provides a lens for examining the experiences of Black female entrepreneurs and has demonstrated high reliability and validity in prior research (Deng et al., 2022). The tenets of Transformational Leadership idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration guided the development of the research question and study purpose. Specifically, the study explored how Black women entrepreneurs leverage leadership practices to access capital, enhance leadership skills, and overcome operational challenges, aligning with the core tenets of the transformational leadership framework. By integrating these principles, the framework ensured that data collection, analysis, and interpretation remained clearly connected to understanding effective leadership strategies in this context. The following discussion expands on the Transformational Leadership framework, the rationale for its selection, and its alignment with the study's research question and purpose.

Transformational Leadership Framework

James MacGregor Burns formulated the concept of transformational leadership in 1978. Burns defined transformational leadership as a reciprocal relationship wherein both leader and follower motivate each other to higher levels, aligning their value systems (Akdere & Egan, 2020). Transformational leaders inspire followers to exceed their potential by focusing on values and aligning them with organizational goals (Afriyie & Musah, 2019). According to Bass, this approach fosters trust, loyalty, and respect, motivating followers to surpass expectations (Campbell, 2020). Its key tenets—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—provide a framework for examining African American women entrepreneurs' leadership deficiencies and challenges in sustaining profitable beauty businesses (Ali & Islam, 2020). Transformational leaders demonstrate commitment to improving leadership practices and fostering growth, supporting business success and long-term sustainability (Farahnak et al., 2020).

Figure 1

Transformational Leadership Framework



Idealized Influence

Idealized influence serves as a tool for transformational leaders to enhance their leadership skills and practices by cultivating trust, inspiring others, fostering alignment with organizational goals, empowering individuals, and promoting a positive organizational culture (Lia et al., 2022). Business owners who take on this leadership style exhibited effective communication skills, effectively conveying the vision for the organization and elucidating the significance of each team member's contribution (Kalogiannidis, 2021).

Intellectual Stimulation Concept

Transformational leaders who utilized intellectual stimulation created an environment that encouraged continuous learning and skill development among their employees (Dinibutun, 2020). This empowered them to remain informed about industry trends, acquire new knowledge and skills, and adapt to changing market conditions, thereby enhancing the organization's sustainability. Business owners who utilized the intellectual motivation concept created opportunities to enhance leadership practices for profitability and sustainability by promoting problem-solving skills, fostering continuous learning, enhancing employee engagement and satisfaction, and driving organizational growth (Akdere & Egan, 2020).

Inspirational Motivation Concept

Transformational leaders who adapted the inspirational motivation concept inspired and motivated followers by communicating a compelling vision, setting ambitious goals, and fostering enthusiasm and commitment toward achieving them (Akdere & Egan, 2020). The inspirational motivation concept helped business owners improve leadership practices for profitability and sustainability by aligning vision and goals,

boosting employee morale and engagement, encouraging innovation and creativity, building trust and loyalty, and driving performance and results (Thompson, 2022).

Individualized Consideration Concept

The individualized consideration concept helped transformational leadership focus on each follower's unique needs, strengths, and development opportunities (Thompson, 2022). Fries et al. (2019) stated that business leaders should establish strong interpersonal relationships, listen actively, and offer feedback and guidance tailored to each follower's strengths and weaknesses. Business owners who employed the individualized consideration concept created a supportive and inclusive workplace culture where employees feel valued, motivated, and empowered to succeed. Transformational leaders who used the individualized consideration concept created a thriving business that was capable of achieving long-term sustainability (Pauceanu et al., 2021).

Selected Framework Justification

The transformational leadership framework is the foundation for this research directing data collection by centering on its core tenets. It aims to equip Black women-owned businesses with the knowledge to empower themselves by fostering effective leadership skills and practices conducive to business success. The construct of the transformational leadership framework formed the basis of the interview guide, providing a structured approach for data collection. These tenets also shape the design of the interview questions. The purpose of using transformational leadership was to assess leadership practices in Black women-owned businesses, pinpoint areas for enhancement, and establish measurable goals and actions to navigate adversity and overcome barriers to success.

Methods

A phenomenological research approach (Mortari et al., 2023) was employed to explore the lived experiences of Black women entrepreneurs in the U.S. beauty industry. This approach focused on understanding participants' experiences from their own perspectives, allowing for an in-depth exploration of barriers to accessing capital for leadership development and how leadership practices influence operational challenges, sustainability, and profitability (Adeoye & Olenik, 2021). Data were collected through one-on-one semi-structured interviews with 10 African American women entrepreneurs who had sustained profitable businesses. All interviews were conducted via Zoom. The interview transcripts were analyzed using thematic analysis (Braun & Clarke, 2006), a method that involves systematically coding the data, identifying patterns and categories, and generating themes that capture the essence of participants' experiences.

Participants

The targeted population for this study consisted of 10 Black women business owners in the beauty industry in the northeastern United States. The study focused on women with

privately owned businesses to explore the challenges they faced in developing leadership skills and operating their businesses successfully. Data were collected through semi-structured interviews, in which participants answered 10 open-ended questions designed to capture their experiences with leadership practices, skill development, and barriers to accessing resources. Interviews were conducted via Zoom, with audio recording and transcription enabled (Adeoye & Olenik, 2021).

The specific participant inclusion criteria were:

- a) Black woman business owners
- b) Reside in Northeastern United States
- c) Started a new business within five years
- d) Can attest to having a basic understanding of leadership practices, but limited leadership development training

Data Collection

Data were collected through one-on-one semi-structured interviews with 10 African American women entrepreneurs who had sustained profitable businesses in the U.S. beauty industry for at least five years. Interviews were conducted via Zoom, with audio recording and transcription enabled. Participants were provided informed consent forms approved by the Capella University Institutional Review Board (IRB), outlining the study purpose, procedures, voluntary participation, and the right to withdraw at any time. Signed consent forms were required before interviews commenced. Each interview lasted approximately 45–60 minutes, broken down as follows: 5 minutes for introductions and rapport-building, 25–55 minutes for interview questions, and 5 minutes for closing remarks. Participants first answered demographic and business-related questions, followed by 10 semi-structured interview questions designed to capture participants' experiences with leadership practices and business challenges. The semi-structured interview questions are as follows:

1. How long have you been in business, and what inspired you to start your business?
2. What obstacles have you encountered in starting and sustaining your business?
3. What types of support (financial, mentorship, or other resources) did you receive when you initially launched your business?
4. What resources or support do you wish you had access to when starting your business?
5. Which leadership strategies do you currently implement within your organization to ensure its sustainability and growth?
6. Do you have formal business education or training, and how has it impacted your leadership and management practices?
7. When did your business begin generating profits, and what factors contributed to that milestone?
8. How would you describe your leadership style, and how does it influence your team and business operations?

9. Do you have a mentor or advisor in the industry, and how has that relationship influenced your business?
10. What additional skills, resources, or support do you feel would help you grow your business in the next 1–3 years?

6. Reviewing themes to ensure alignment with the research question and study objectives.

Credibility and Trustworthiness

In qualitative research, establishing credibility involves ensuring that findings accurately reflect participants' experiences (Maher et al., 2018). In this qualitative phenomenological study, credibility was strengthened by allowing participants to review their interview transcripts for accuracy and by maintaining a detailed project log of all research activities. Through careful review of the data and an inductive approach to identifying emerging themes, the analysis emphasized elements most relevant to the research question (Trochim, 2006). These strategies helped ensure that the interpretation of the data remained grounded in participants' perspectives (Maher et al., 2018). Transferability was supported by providing clear descriptions of the participants and context, allowing readers to determine whether the findings may apply to other settings (Maher et al., 2018). Dependability was reinforced by thoroughly documenting the research process to enable replication, and confirmability was addressed by regularly checking and rechecking the data to ensure consistent findings that could be reproduced in another study following the same procedures (Stahl & King, 2020).

Building rapport with participants and allowing transcript review enhanced data credibility (McGrath et al., 2019). Audio recordings were transcribed verbatim, deidentified, and assigned unique identifiers. Participants verified transcript accuracy and provided feedback. Once verified, transcripts were coded using deductive codes (Frampton, 2020) and prepared for thematic analysis, marking the completion of participant involvement.

Ethical Consideration

Before data collection, approval was obtained from the Capella University Institutional Review Board (IRB), ensuring compliance with federal regulations and ethical standards for the protection of human subjects. Participants were informed of the study's purpose, procedures, potential benefits, and their right to withdraw at any time without consequence. Informed consent was obtained in accordance with IRB guidelines, and participants underwent debriefing to confirm understanding. Participation was entirely voluntary, and individuals retained autonomy to halt the interview at any point. These measures ensured participants had sufficient information to weigh potential risks and benefits, aligning with ethical principles that prioritize maximizing benefits while minimizing harm.

Data Analysis

Data were analyzed using thematic analysis (Braun & Clarke, 2006) with an inductive coding approach that explored the perspectives of Black women entrepreneurs in the U.S. beauty industry regarding effective leadership practices for accessing capital, investing in leadership development, mitigating operational challenges, and improving profitability. Audio-recorded interviews were transcribed verbatim and supplemented with field notes to enhance contextual understanding (Adeoye & Olenik, 2021). Transcripts were deidentified, assigned unique participant identifiers, and reviewed by participants to verify accuracy, strengthening the credibility and trustworthiness of the data (McGrath et al., 2019). To streamline the coding process, audio recordings and written transcripts were organized and processed in Microsoft Excel for analysis. The six-phase process outlined by Braun and Clarke (2006) was followed:

1. Familiarization with the data by repeatedly reviewing each transcript.
2. Generating initial open codes by identifying recurring concepts and key phrases.
3. Grouping related codes into themes based on shared meanings.
4. Refining themes and identifying overarching patterns across participants.
5. Defining and naming themes that captured essential aspects of the data.

Results

We sought to address the question: What effective leadership practices do Black women entrepreneurs in the U.S. beauty industry employ to access capital for leadership development, enhance leadership skills, mitigate operational challenges, and improve profitability? To answer this, thematic analysis (Braun & Clarke, 2006) was conducted on interview data. Initial coding generated 20 open codes, including lack of funding, absence of leadership training and formal education, and operational challenges. Codes related to leadership development and formal education were grouped into the category of Education and Training, which emerged as the theme: Leveraging structured education and training programs for business success.

Further analysis revealed overarching patterns showing how ineffective leadership practices contributed to operational inefficiencies and cash flow challenges. Five key themes: Education and Training, Business Operations, Sustainability, Mentorship and Support, and Funding, illustrate the leadership strategies that support profitable and sustainable business practices. To provide a detailed understanding of how these themes emerged, the following section describes the coding process, including the generation, refinement, and categorization of codes from the interview transcripts.

Code Generation Process

Interview transcripts were meticulously reviewed, and codes were assigned to capture key concepts relevant to the research question. This open coding approach allowed identification of a broad range of concepts without being constrained by pre-existing categories. Each code was labeled descriptively to

summarize the main idea, and new codes were created as novel concepts emerged. Potential relationships and patterns among codes were noted. This iterative process was applied consistently across all transcripts, with regular reviews to ensure clarity and relevance. Similar or related codes were consolidated to maintain a meaningful set. Analysis revealed 20 open codes across the 10 interview transcripts. The researcher focused on word and phrase frequency to identify initial codes, then grouped and refined them, creating clear definitions and examples. The next phase of thematic analysis, following Braun and Clarke's (2006) six-step process, involved transitioning from initial codes to final codes. The finalized codes, along with frequency counts, definitions and examples, are provided in Table 1.

Table 1*Development of Codes*

Codes	Definition	Examples	Frequency Counts
Lack of Leadership Training	Developing and enhancing skills and knowledge to lead and manage individuals and business.	P5: "I never received any formal leadership training, which made managing my employees and business difficult in the beginning"	30
Lack of Formal Education	Academic programs are designed to teach individuals the foundational knowledge, skills, and theories related to business and management.	P3: "One of the most important lessons I learned was the value of understanding my business. I truly wish I had educated myself more about the business before starting on my own." P2: "I haven't so far received any business training, but that is something I'm looking into because I plan to use those skills for other business avenues in the future." P1: "I would tell new business owners to take an online course to understand things like a profit and loss statement. This should be your priority when starting a business, because as soon as you make purchases, you need to track your expenses, the cost of your products, and the financial breakdown."	24
Product Research	Understand consumer needs, preferences, and market trends to develop and improve products.	P10: "It's important to know your target audience and know what they want and what sells."	8
Sustainability	Strategies to ensure long-term stability.	P6: "After Covid, my business kind of went up and down. So, it was still about balancing after Covid, and I did lose some clients in between. So, it's been just pretty much the loyal clients."	12
Self-Funded	Used personal savings to finance business.	P4: Being a Black woman, I often felt overlooked when applying for funding. I would hear things like, 'You probably won't get approved,' even though I had good credit. Because of these challenges, I had no choice but to self-fund my business. I started small, and over time, I was able to grow it steadily without external financial support." P5: "I worked a regular 9-to-5 job and used a portion of my paycheck to fund my business. By setting aside a percentage of my earnings, I was able to invest in my business and grow it from the ground up, relying solely on my personal savings."	39
Capital Challenges	Obstacles a business faces in acquiring, managing, or utilizing the financial resources (capital) needed to fund their operations, for growth.	P1: "Securing funding was a big challenge for me. I realized it's important to understand financial basics, like profit and loss statements, before seeking capital. Without this knowledge, managing my expenses and product costs became a struggle." P8: "It takes money to start a business. I had to keep my 9-5 job to finance my business because I could not obtain a loan."	33
Support	Providing encouragement, or resources to help.	P2: "I wish I had more support from my family, both financially and emotionally. They didn't take me seriously when I said I wanted to start a business, and that lack of support made things harder for me in the beginning."	35
Profitable	Businesses generating more revenue than the costs providing a positive return on investment allowing it to sustain and grow.	P3: "I received support from strangers, but my family didn't want to get involved, which made the journey more difficult." P7: "My business became profitable by year 3. I learned to capitalize on busy seasons, so during slower periods, I'm not as financially strained." P4: "My business started generating profit around year three. By year six, I was able to quit my regular job and focus solely on my business."	20
Collaboration	Working together with others.	P6: "Although my business is sustainable, expanding and adding new products has been challenging. I tried collaborating with vendors, but it did not work out."	2
Bias	Unfair treatment that affects a business owner's ability to secure funding, due to race.	P3: "I felt like being a Black woman, they didn't even give you a glance when I tried to get a loan. It was like, 'Oh, well, you probably won't get approved.' And I'm like, 'But I got credit.' Challenges like this made me self-fund my business. I started small, and then as the years went by, I started growing."	11
Lack of Funding	Financial resources or capital to support a business or education.	P1: "Getting capital for my startup has been really difficult, especially as a Black woman. Banks are hesitant to support minority-owned businesses, and this lack of funding has forced me to rely on personal savings to keep my business going." P7: "I often come across various grants, but I'm not usually lucky in actually receiving them, as I can only imagine how many others are applying for the same"	46

		funding. It can be quite challenging."	
Customer Service	Overall experience provided to customers before, during, and after they purchase a product or service. It is focused on ensuring customer satisfaction by addressing their needs	P6: "As my business grows and adds new products, maintaining the high level of customer service my clients expect has become a challenge. Ensuring consistent service quality is crucial to retaining loyal customers."	2
Strategies	Actions or approaches designed to achieve specific goals and plan for growth.	P3: "The people around me didn't have businesses, so they couldn't inform me about different strategies that work for starting a business and obtaining clients. I had to learn on my own, trying different approaches until I figured out what worked for me."	3
Operational Challenges	Challenges that arise in the day-to-day activities of a business.	P7: "In the early stages of my business, I focused mainly on making money and didn't realize the importance of foundational steps like opening a business account."	9
Employee Retention	Ability to keep its employees and reduce turnover.	P5: "I currently have two employees that are family members. It's hard because they take advantage of the situation. When they don't get their own way, they threaten to leave. I could benefit from leadership training to learn how to manage employees."	6
Diversification	Expanding on different types of products or services within a business to enhance growth opportunities.	P10: "I keep my ear to the ground to stay informed about trends or upcoming opportunities, and I also strive to stay ahead of trends by being creative with my product offerings."	
Self-directed Learning	Acquiring skills through experience, trial, and error.	P5: "When I first started the business, I learned by making mistakes along the way. Many of these could have been avoided if I had a mentor or formal training, but they were valuable learning lessons."	14
Flexibility	Ability to adjust and adapt.	P7: "As a new business owners I had to be flexible whether it was in my personal life or the way I run my business to be successful."	16

Code to Themes

The next phase after initial coding, definition, and word counts was categorizing the codes in themes. Transitioning from codes to themes is a critical step in thematic analysis, allowing higher-level abstraction and interpretation of the data (Naeem et al., 2022). As Braun and Clarke (2006) note, themes capture essential aspects of the data and reveal patterns of meaning. The 20 open codes from Table 1 were synthesized into five themes using phases three and four of Braun and Clarke’s process, organizing related codes with shared meanings and aligning each category with the research problem Table 2. Codes were then refined into themes reflecting core insights relevant to the research question.

Table 2

Codes to Themes

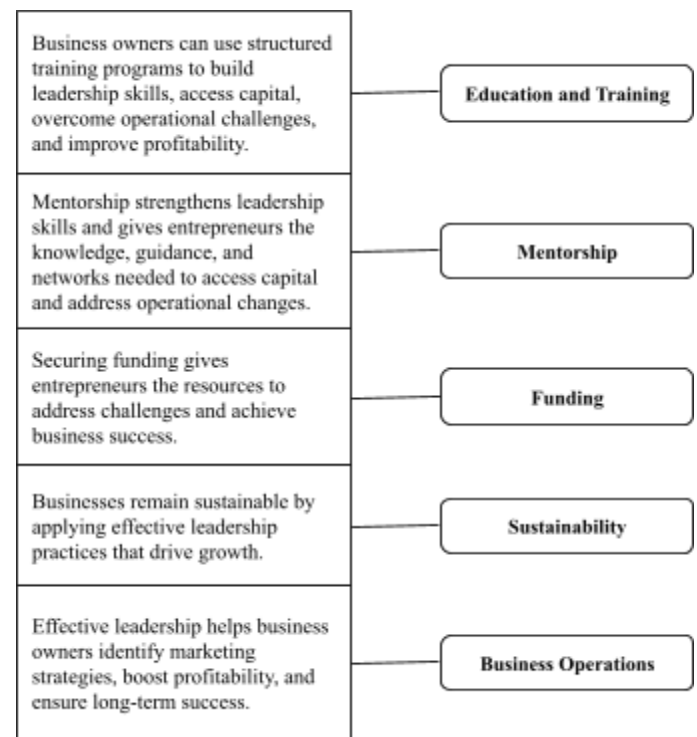
Themes	Code	Definition	Number of Participants	Frequency Counts
Training and Education Challenges	Absence of Formal Business Education; Leadership Training; Leadership Style; Skill Gap, Self-directed learning	Structured education in business principles and practices. Programs or initiatives aimed at developing leadership skills.	10	86
Growth and Sustainability	Diversification; Marketing; Operational Challenges; Flexibility; customer service; Collaboration	Expansion into new markets or offerings to promote business growth and long-term success	10	81
Support	Mentorship and Family Support	Guidance provided by experienced individuals or mentors, along with emotional or financial support from family members to aid personal or professional growth	10	66
Funding and Financial Resources	Access to Capital; Self-Funded; Loans; Grants; Barriers Securing Financial Resources; bias	Financial resources necessary for business operations and growth, including personal savings used to finance business activities.	10	90
Business Operations	Maintaining Profitability; sustainability Collaborations; Employee retention; Product Research; Customer service	Activities and processes involved in running a business efficiently and effectively, including managing resources, employees, and workflows.	10	54

Analysis of Themes

The next step involved analyzing and reviewing the recurring themes in response to the project question. Examination of the themes derived from initial codes revealed broader patterns, ensuring alignment with the study’s objectives. The analysis yielded five key themes: (a) Education and Training, (b) Mentorship and Support, (c) Funding and Financial Resources, (d) Business Operations, and (e) Sustainability. As summarized in Figure 2, these themes reflect participants’ perspectives and provide a framework for understanding the leadership practices of Black women entrepreneurs in the U.S. beauty industry. Each theme is presented below with participants’ narratives.

Figure 2

Themes Emerged from Codes



Theme 1: Education and Training

Participants consistently emphasized the importance of training and education as entrepreneurs, whether through formal education, leadership development programs, or self-directed learning. When asked about their perspectives on the absence of leadership training and education, P3 responded, “One of the most important lessons I learned was the value of understanding my business. I wish I had educated myself more about the business before starting, as it would have helped me navigate challenges and grow my business.”

Invest in your business and ensure your customer service is top-notch; it is what can make or break your business. If you have never worked in a customer service role before, I would strongly recommend

gaining experience or training in that area. It will help your business to grow. (P6)

In addition to acquiring knowledge through formal education and training, participants highlighted the importance of research as a form of self-directed learning to stay informed about trends in the beauty industry. P5 and P10 mentioned,

Do not get discouraged from pursuing an idea just because it is something you have not seen before. If you have done your research and noticed a gap or opportunity, do not underestimate yourself or back out simply because the market seems oversaturated. Yes, there is a lot of competition in industries like skincare, but that does not mean there is no room for your unique idea. (P5)

I prioritize research to stay informed and think creatively about my business. I often look at ideas from other industries and adapt them to fit my field. This strategy has kept me innovative and ensured my social media marketing remains fresh and effective. (P10)

Overall, the data collected indicated that leadership training and formal business education are essential for addressing the unique challenges faced by some Black women entrepreneurs in the beauty industry. By leveraging structured education and training, some Black female entrepreneurs can enhance their leadership skills and overcome operational challenges. This approach could help close the knowledge gap, equipping Black female entrepreneurs with the necessary tools to lead effectively and manage their businesses for long-term success and sustainability.

Theme 2: Mentorship and Support

Mentorship and emotional or financial support from family were critical in shaping participants' business experiences. Participants reported limited access to mentors in the industry, which intensified challenges in decision-making and growth. P8 mentioned, "One of the first steps I recommend is seeking out women's community outreach programs, as many provide free mentoring opportunities that can offer valuable guidance and support."

There was so much I did not know, and since the people around me did not have businesses, they could not provide me with information. Finding a mentor to guide me was incredibly difficult, making it challenging to learn how to navigate various aspects of running a business. As a result, I went through a lot of trial and error. (P1)

Theme 3: Funding and Financial Resources

The data revealed the challenges faced by some Black female business owners in securing funding, often attributed to systemic barriers such as racism and other biases, which hindered their access to loans, and grants. P1 stated, "Getting capital for my startup has been difficult, especially as a Black woman. Banks are hesitant to support minority-owned businesses, and this lack

of funding has forced me to rely on personal savings to keep my business going."

Participants indicated that, despite attempts to secure conventional bank loans, they were often unsuccessful and consequently relied on self-funding to support their businesses. P4 stated, "The hardest part of starting my business was securing the capital I needed. I had to continue working my 9-5 job to self-fund my business."

I worked a regular 9-to-5 job and used a portion of my paycheck to fund my business. By setting aside a percentage of my earnings, I was able to invest in my business and grow it from the ground up, relying solely on my personal savings. (P5)

Theme 4: Business Operations

Participants described operational challenges related to day-to-day management, customer service, employee retention, and strategic planning. For example, P6 noted, "As my business grows and adds new products, maintaining the high level of customer service my clients expect has become a challenge."

Theme 5: Sustainability

Sustainability emerged as a theme connecting leadership, funding, and operational practices to long-term business success. Participants reported that flexible approaches, diversification, and strategic planning contributed to stability and profitability. P10 responded, "I keep my ear to the ground to stay informed about trends or upcoming opportunities, and I also strive to stay ahead of trends by being creative with my product offerings."

Implications

The implications of this study are significant and extend beyond the U.S. beauty industry, highlighting broader socio-economic challenges faced by Black women entrepreneurs. The data reveal a notable correlation between limited access to capital and the restricted ability of these business owners to participate in essential leadership development training. This lack of investment not only constrains individual profitability but can also jeopardize the long-term sustainability of their businesses. These findings emphasized the urgent need for some Black women beauty industry leaders to prioritize investment in leadership training and formal business education. Such efforts would equip Black women entrepreneurs with the skills and knowledge needed to navigate entrepreneurial complexities, including effective funding strategies, educational gap limits, financial literacy, making it difficult for these entrepreneurs to navigate complex processes such as loan applications, investor pitches, and financial management. This deficiency not only affects immediate access to funding but also hampers long-term business sustainability. Addressing these educational gaps can enhance both individual and collective economic outcomes.

The findings also highlight the significant role mentorship plays as a complementary strategy for leadership development, particularly for Black women entrepreneurs. Mentorship offers

emerging leaders access to invaluable experiential knowledge, allowing them to benefit from the expertise and practical insights from seasoned professionals. Through this interaction, mentees can refine their strategic decision-making, develop problem-solving capabilities, and enhance their capacity to manage the complexities of entrepreneurship. Additionally, mentorship provides a vital platform for expanding professional networks, which are essential for accessing resources, funding opportunities, and potential partnerships that are otherwise difficult to obtain for underrepresented groups. The study also highlights the necessity of prioritizing leadership development initiatives as a strategic response to the inherent barriers in capital acquisition. The integration of training and mentorship into the entrepreneurial journey not only addresses immediate skill gaps but also fosters a more sustainable model for long-term success.

Recommendations for Policy

Based on the findings of this study, several recommendations can support the implementation of effective leadership strategies in the beauty sector:

To address these challenges, the following policy recommendations are proposed:

Establish Industry Standards and Best Practices for Leadership Development

The beauty industry should adopt comprehensive standards that prioritize leadership development training, formal business education, research, mentorship, and financial resources tailored to Black women entrepreneurs. These standards would provide a roadmap for effective business management and foster a more inclusive environment within the beauty sector.

Facilitate Partnerships and Collaboration Initiatives

Policies that promote partnerships between Black women-owned businesses and established industry networks can facilitate the exchange of knowledge and resources. Collaborative learning and mentorship from experienced business owners can offer valuable insights on navigating industry challenges and securing necessary capital, reducing the barriers to entry and operational success for new entrepreneurs.

From a policy perspective, integrating mentorship into leadership development frameworks along with formal business education can have transformative effects. Mentorship provides direct, context-specific support that complements formal training by offering real-world insights and practical guidance tailored to overcoming obstacles common among underrepresented groups. Policymakers and industry leaders should therefore advocate for and support the establishment of formalized mentorship programs within entrepreneurship especially aimed at empowering underrepresented entrepreneurs.

Recommendations for Practice

Based on the insights gathered from Black women business owners in the U.S. beauty industry, several key

recommendations can be offered to aspiring Black women entrepreneurs in the beauty industry. These recommendations, grounded in their lived experiences, emphasized the importance of mentorship, continuous learning, and strategic networking to foster successful leadership.

First, seek out mentors and network with fellow business owners. Mentorship is crucial for navigating challenges, especially in securing funding, and for providing the support and guidance necessary for business development. Networking also plays a vital role in expanding the client base and connecting with potential mentors. Second, enrolling in leadership and professional development programs is recommended. Taking advantage of opportunities to attend leadership and business courses, workshops, and classes to continuously enhance knowledge and skills is crucial. Investing in education can help elevate the business and adapt to new challenges.

Recommendations for Future Work

Future research should investigate how Black women entrepreneurs can effectively utilize resources to bridge skill gaps impacting strategic planning, operational efficiency, and financial stability. Emphasizing formal business education, leadership development, and mentorship in future studies would extend the insights gained from this project, enhancing its relevance and impact within the beauty industry. Ultimately, this approach could generate strategies that enhance business outcomes and create strong support systems, empowering Black women entrepreneurs to achieve sustained success.

Emphasizing formal business education, leadership development, and mentorship in future research could build on this study's insights, expanding its relevance and influence within the beauty industry. Here's how:

Deepening Understanding of Leadership Deficiencies and Training Needs

Examining how business owners can leverage formal education and leadership training directly addresses a significant gap identified in this study. By conducting further research, future studies could uncover specific training needs within this group, leading to targeted educational programs tailored to beauty industry entrepreneurs. The focus on education could create a blueprint for developing competencies in areas such as financial management, strategic planning, and operational decision-making, with the aim of sustaining their competitiveness and growth.

Enhancing Practical Business Strategies through Stages of Development

This study identified operational and financial challenges as pervasive issues that hinder business sustainability and profitability. Additional research on implementing leadership practices across various business stages could provide specific, actionable strategies that entrepreneurs in the beauty industry can apply.

Measuring the Influence of Leadership on Profitability and Market Positioning

Understanding how specific leadership skills contribute to financial and operational performance is crucial in an industry. By investigating how leadership training and development impact key financial indicators, future research could bridge a vital gap in this study, linking leadership practices to measurable outcomes like revenue growth, customer acquisition, and profit margins. This knowledge could guide beauty industry leaders to refine their leadership approach to emphasize metrics directly tied to profitability and market positioning, thereby helping businesses better compete and thrive in an industry that is both consumer-driven and trend-sensitive.

Enhancing Mentorship Models to Drive Sustainable Growth

This study pointed to the importance of mentorship within the beauty industry. By examining effective mentor-mentee relationships in more depth, future studies could highlight successful strategies for skill transfer, strategic thinking, and innovative problem-solving. Mentorship tailored to this sector could help business owners navigate the complexities of the industry, adapt to evolving standards, and ultimately support long-term growth and sustainability.

Informing Policy and Support Programs for Underrepresented Entrepreneurs

The insights from this study and subsequent research could inform policies and support initiatives aimed at addressing systemic barriers faced by Black women entrepreneurs in the beauty industry. Detailed data on financial and leadership training gaps could lead to advocacy for more inclusive funding opportunities, grants, and educational programs tailored to meet the specific needs of beauty industry entrepreneurs. Ultimately, these recommendations aimed to deepen our understanding of how education, mentorship, and leadership skills influence the long-term viability of businesses, particularly for Black women entrepreneurs who may face unique challenges. By addressing these research areas, future studies can help shape resources and support systems for Black women-owned businesses.

Conclusion

The study revealed that although Black women started businesses faster than other groups, they faced significant barriers from limited leadership training, business knowledge gaps, and financial constraints. These challenges hindered their ability to launch, fund, and sustain ventures. Lack of formal education further limited their capacity to secure capital and develop leadership skills. Participants stressed the importance of business education and mentorship from industry leaders to provide guidance and support. Strengthening leadership competencies was seen as essential to overcoming operational and financial challenges and improving business outcomes.

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