

“ATTRACTIVENESS” VERSUS “CONSTRAINT” IN SELF-EMPLOYMENT OPTION IN A CERTAIN FIELD FOR MANAGER WOMEN OF THEIR OWN BUSINESS IN THE WEST OF ROMANIA

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Abstract

Starting from the way in which women, generally speaking, understand entrepreneurship – as a choice or as a necessity, the present paper aims to discover in what percentage women in the West of Romania, have been influenced in the decision to become entrepreneurs or in self-employment option by the “attractiveness” or by “constraint” and, then, in what proportion, considering the general entrepreneurs inclination, to start business in the fields that they have worked before, validates in their case the hypotheses that women choose the sector in which they have knowledge and experience. The first part of the paper analyses the literature in the field emphasizing on the occupational situation and professional training as factors of the feminine entrepreneurship, respective activity fields preferred by women for self-employment. The second part of the paper presents the preliminary research results regarding the correlations between occupational status, professional studies and activity fields in the case of feminine entrepreneurship in the West of Romania, results of AntrES project. The paper analyses the answers given into the questionnaires applied and reapplied to one of the aim groups of the project – manager women – in the period 17-31 July 2009, respective 20-28 November 2009 – at the beginning and at the end of the Entrepreneurial school at the level of AntrES territorial centers (county residence towns: Arad, Baia Mare, Oradea, Reșița, Satu Mare, Timișoara).

Key words: Entrepreneurship, women entrepreneurship, self-employment, entrepreneurial mobile, occupational status, professional training

JEL Code: E24, R11, J24

Literature review

Even though still poor in relation to the significant growth of the women proportion and their contribution in entrepreneurs line and yet far from creating adequate theories, starting from the opening operated by the first notable article dedicated to the subject - „*Entrepreneurship – a new feminine border*” (1976), the literature consecrated to the feminine entrepreneurship hangs upon some conclusions: entrepreneurs women have similar motivations with those of entrepreneur men: the wish of accomplishment, work satisfaction and independence (Schwartz, 1976); women are less qualified, less capable, less trained in the field of business, have a smaller inclination to entrepreneurship and manage to settle a business in a slower rhythm than men (Hisrich și Brush, 1983, 1984, 1985, 1986, 1987; Brush et al., 2004; Casson, Yeung, Basu, Wadeson, 2006); women meet opportunities and barriers different from those encountered by men in the field, fact that affects their participation and performance in the entrepreneurial field (Parker, 2009); entrepreneur women are represented in few sectors of the economy, there exist fields „dominated” by men, for example, the building sector, the activity sectors preferred usually by entrepreneur women are: services; tourism; commerce etc., the biggest concentration being in the industry of services, especially in the field of sales and “other services” – financial services, insurance and real estate, vocational services, business services (Bates, 1995), the explanation is connected, on one side, by the lack of knowledge and technical abilities, that discourage starting a business in production or high technology field; on the other side, there is a more difficult access to financial resources, that determine choosing that activities who engages a lower capital level (Bruni, Gherardi, Poggio, 2008); considering the general tendency of entrepreneurs to start

businesses in the fields where they have worked before, women choose the sector where they have the highest knowledge and experience (Parker, 2009). We notice therefore from the literature in the field the „stereotype of business woman” – built around „less” than men – less capable, less qualified, less trained, less brave, slower, less equipped with capital or less able to access capital etc. Besides stereotypes, infirmed or confirmed by the literature in the field, the most accepted premises at the moment is that „the gender gap in entrepreneurship” is relatively, generally speaking, depended by cultural factors and customs regarding female participation in economic activity (The Global Entrepreneurship Monitor – GEM, 2007, 2008, 2009), but certainly exist with respect to new venture creation and business ownership (Report on Women and Entrepreneurship – GEM, 2007; Parker, 2009). Starting from the way in which women, generally, perceive entrepreneurship – as choice (an opportunity for personal development, a way of filling family’s incomes, a wish to cover a social need, o solution to enter into an activity in which the selection criterions are less strict, a strategy to have a bigger freedom to administrate the activities of the business and of the family, etc.); or as a necessity (the unique way of growing family’s incomes, of gaining financial independence, of growing the socio-professional statute, of independence and autonomy in the work developed, of fulfillment and personal satisfaction, etc.) (Bruni, Gherardi, Poggio, 2005), we propose to investigate to what extend the manager women in the West of Romania, who form target groups of the AntrES project, have been influenced in their decision to become entrepreneurs by the “amenity” or by “constraint” and, more on, in what proportion, considering the general tendency of entrepreneurs to start-up a business in the fields that they have worked before, validates, in their case, the hypotheses that women choose the sector where they have most knowledge and experience.

Aspects regarding the research methodology

The project entitled: *Entrepreneurship and the Equality of Chances. An Inter-regional Model of Women School of Entrepreneurship*, financed by the European Social Fund with an amount of over 3.5 million Euros, is the first strategic project in the field of human resources development in Romania that promotes female entrepreneurship. The covering area of the project is the Western part of Romania, and includes Maramureş, Satu-Mare, Bihor, Arad, Timiş, Caraş Severin Counties, being implemented by partner universities from each of these counties. The general objective is to promote the equality of chances in the field of entrepreneurship, by stimulating the implication of women, especially those coming from rural areas, to initiate and develop their own business in the context of sustainable development of their communities. The project is addressed to a overall target group of 1800 women wishing to develop their own business (288 SME female managers from urban area)– target group I, or to set up their own business (1440 women from urban and rural area) – target group II, or to become trainers in the entrepreneurship field (72 women, students in Economics, which will be trained and who will benefit from job as trainers for rural area, in the project)- target group III. The duration of the project is of 2 years, starting in January 2009. As initial result of the project, a *Women School of Entrepreneurship*, consisting of 6 territorial, 24 local and 72 rural centers, along the Western part of Romania, was set up, and training process *The School of Entrepreneurship - Module I – Business start-up*, respectively, *Module II – Business development* was finished at the territorial level. Parallel with the training process in the territorial centers, the inter-regional team developed specific methods designed to monitor the project’s target groups, including a set of focused questionnaires in order to the development of a specific research activity, having female entrepreneurship in the Western part of Romania as main subject. So, in the period 07.17.2009-07.31.2009 (the beginning of the Entrepreneurial School at the level of Territorial Centers – at the first course) have been applied at the level of the territorial centers (the county residence towns: municipalities Arad, Baia Mare, Oradea, Reşiţa, Satu Mare, Timişoara) the research-monitoring questionnaires aimed to the manager women (target group I): 153 questionnaires, distributed on territorial centers, as it follows: Arad – 27, Bihor – 30, Caraş-Severin – 24,

Maramureş - 24, Satu Mare – 24, Timiș - 24. At the end of the Entrepreneurial school, level TC (at the last course, respective in the period 20-28 November 2009) it was reapplied the same questionnaire, more exactly a total number of 149 questionnaires, distributed on territorial centers as it follows: Arad – 24, Bihor – 28, Caraș-Severin – 24, Maramureş - 25, Satu Mare – 24, Timiș - 24. The questionnaires applied to the target group I – manager women – have been formed of a total number of 52 questions, grouped as it follows: 39 questions in section A – Questions about women entrepreneur/manager and their businesses; 13 questions in section B – Aspects regarding the psychological profile of the entrepreneur/manager women. The present paper proposes to analyse the answers for the following characteristics: the occupational situation at the moment of initiation or acquiring the business; the reasons which stood at the base of the wish and of the decision to initiate its own business; the reasons which determined the choice of the field of activity; the field in which they developed their studies – professional studies. Regarding the characteristics enumerated, there have been formulated a series of hypotheses who were tested, as it follows: 1. *The higher educational level is associated to a bigger business, older, viable, smaller obstacles perceived at the beginning of the business and now;* 2. *The field that they have studied in is correlated with the field of activity of the firm, with the viability of the business, the fields considered more appropriate for the feminine entrepreneurship;* 3. *Participating at courses/trainings is benefic – according to the field/title of the course, could be registered a more easy access to financing, a perception less acute of certain obstacles.*

Results

The majority of the respondents(66%) are aged between 30 and 49 years, the average age of the respondents is 37,6 years; most of the respondents are married (66%) and live in households with 2-4 members, having one or two children(51,6%). The average household income for last month of the manager women questioned is 5276 lei, while the personal average income of those is of 2449 lei. Regarding the current businesses of the respondents, over 88% have been initiated by them, alone or with other persons. Only 12% have acquired the business in other ways: legacy – 5.4%, joining an existing firm -4.1%, buying it – 1.4%, franchise – 0.7%. The majority of the manager women in our sample (over 80%) has university or post university studies. As general fields of study, slightly over half of the respondents have done studies in the economic area (field associated in great proportion to the entrepreneurship and the management of a business) - 51,70%, followed by the technique field - 17,01%, socio-human - 12,20%, juridical - 5,44%, medical - 3,40%, environment - 6,12%, exact sciences - 0,68%, economic engineering - 2,7% etc. Many of the manager women (40%) have followed specialization courses or specialization courses in different fields. Out of those, predominate those related to the management and business administration: project management, financing forms, accountancy, human resources, audit, communication, insurance, tourism, management, business development, sales, quality, taxation, real estate agent, real estate marketing, entrepreneurship etc. The most important motivations, as well as the context in which the respondents have decided to initiate a business are very eloquent: most of the entrepreneur women started their business alone, over one third of them either did not have a workplace or were going to lose it, or they were unhappy with their workplace they had regarding the wage aspect, work conditions, climate, etc. The analyze of the problems from the occupational situation from the moment of the business initiation enumerated by the respondents at the question – Which of the following situations illustrate better the occupational situation from the moment you decided to start your own business? – leads to the conclusion that the choice of the perspective of self-employment has been conditioned by constrain (total 70% - I had a workplace, but the salary was unsatisfying, takes the first place – 35.3%, followed by – I did not have a workplace – 16.7%, but there are also answers like: I had a workplace, but I was going to lose it – 8.7%, I had a workplace, but the conditions were difficult – 5.3% , I had a workplace, but the relationships at the workplace were unsatisfying – 4%). There are answers that mirror the attractivity in the perception of entrepreneurship (I was happy with

my workplace -15.7%, the possibility of an additional earning – 0.8%, I was called in the administration board – 0.8%, I answered an offer – 0.8%), but attractiveness is situated here after constrain. In change, at the question – Which of the following situations illustrate better the moment in which you initiated your business? – surprisingly, on the first place it is situated the attractiveness – emphasized by answers as: I had a business special, favorable conjuncture – 29.45%, followed by – I had a special business opportunity – 28.77% (total 58,22%); and not the constrain – emphasized by answers as: it has changed the general economic context -17.81%, I needed money because the number of my family’s members has raised -7.53%, I needed money because I remained the financial support of the family -6.1%, qualification -0.8%, workplace conflicts -0.8% (total 33.04%). At the question which is the reason for what you are ready to initiate a business – the wish of self-fulfillment remains the main option of the manager women (re-testing situates it on the first place, with 48%), followed by the need to earn more -27%, the wish to have a higher social statute - 20% and the opportunities on the market -5%. In enumerating the problems from the occupational situation from the initiating moment, the problem of unsatisfying salary is predominant, followed by the lack of a workplace (more than 53% of the respondents declared that at the moment of business settlement they had a workplace, but they were not happy with their salary). It is to be remarked that the unhappiness towards the occupational status from the respective moment has conjugated with the apparition of an idea or with a favorable conjuncture. The two conditions – unhappiness towards the occupational statute, but the favorable moment for the expression of the business idea – describe the context in which the present entrepreneurs assumed the risks of a business start-up coming from the prevailing wish to prove themselves and those around them that they can succeed. The accent falls, in our opinion, for this target group – on opportunity/attractiveness prevailing towards need/constrain. Regarding the previous fields of activity of the of the questioned manager women - 78% of them had previous workplaces before the entrepreneur experience. In average, manager women who worked in other places than their own business, had two previous workplaces, the highest number of workplaces being 6; fields of activity preferred with prevalence by them – fields in which it can be initialized a success business are, according to first choice: on the first place – services, services in general, (43), according to the literature on this topic, on the second place – commerce (31), followed by tourism (28) (totally over 80%); significantly less first choices head towards consultancy – 7, production -6, alimentary sector - 5, agriculture – 3 , medical-healthy – 3, construction – 2, sales- 2, transport -2, real estate – 2 , etc. Retesting reflects the validation of the hypotheses that the preferred field by women is the services one – on the first place – doing services, services generally, with a significant growth of the interest for consultancy services (financial, managerial, economic), but on the second place it is situated the tourism, followed by commerce, slightly reorienting towards fields as consultancy, lawyer services, reflect a trend at the moment, but also the birth of some new fields – education, kindergartens, events organizing, patisserie, beauty salon, old people care etc. reflects the movement of the weight center of initiative towards fields that perform starting from specialized expertise (women specific?!) and not from capitals.

Conclusions

After the correlation analysis taken, the situation of the hypotheses tested, respective 1. *The higher educational level is associated to a bigger business, older, viable, smaller obstacles perceived at the beginning of the business and now*; 2. *The field that they have studied in is correlated with the field of activity of the firm, with the viability of the business, the fields considered more appropriate for the feminine entrepreneurship*; 3. *Participating at courses/trainings is benefic – according to the field/title of the course, could be registered a more easy access to financing, a perception less acute of certain obstacles*, it stays like this:

1. *The higher educational level is associated to a bigger business, older, viable, smaller obstacles perceived at the beginning of the business and now – does not validate.* From

a static point of view it is not proved the significant relation between the field of studying and the success of the present business, the size of the present business, future plans for developing the business, the way of perception of the obstacles and the perception of the adequate field for starting up business by women.

2. *The field that they have studied in is correlated with the field of activity of the firm, with the viability of the business, the fields considered more appropriate for the feminine entrepreneurship.* For example, women with economic studies should: prefer businesses in economic area, had several businesses in time and not been bankrupt, started their business rather alone, have a business plan at least started, perceive the economic constrains as being less acute etc. – **validates**. The analyses have revealed a significant relation between the field of studying of women and the field in which the business activity develops ($\chi^2=99.6$; $p<.001$). So, the persons with education in the economic area develop their activity in tourism and services (rez. aj. =2.3), those who studied in technical area have firms with activity in industry, constructions (rez. aj.=2.8) and commerce (rez. aj.=2.0), and those who were trained in the field of environment protection, develop their activity in agriculture (rez. aj.=3.9), but also in education and research (rez. aj.=3.2).
3. *Participating at courses/trainings is benefic – according to the field/title of the course, could be registered a more easy access to financing, a perception less acute of certain obstacles –validates.* Participating at specialization courses has a positive effect over the accession of repayable funds, credits. The analyses highlight a significant relationship so that women who have a further specialization through these courses have accessed in higher number repayable funds comparatively with those who do not have an additional education (rez.aj.=2.6). The relation is not significant in the case of accession irredeemable funds.

The manager women in West of Romania analyzed initiated their own business in proportion of over 88%. The option of abandoning a workplace, respective the perspective of self-employment has been conditioned by a constrain in proportion of over 70% (underpaid salary, not having a workplace, the possibility of losing the workplace, though work conditions or unsatisfying conditions at the workplace), but – surprisingly, in proportion of almost 60% - the way in which they describe the situation in the moment of the business start-up – lead to the idea that attractiveness of the applying a business idea perspective, in a favorable conjuncture, or after meeting a business opportunity and not the constrain (the general economic context, the need of financial resources, family constrains, workplace conflicts) have predominated the decision to become entrepreneurs and self-employ. The fields of activity preferred with predilection by manager women in the West of Romania (in proportion of over 80%) are services in general, with a significant growth of the interest for consultancy services (financial, managerial, economic) followed by commerce and tourism, respective tourism and commerce, exactly as the literature dedicated to the feminine entrepreneurship describes. The empirical data can lead to the conclusion that women in the western part of Romania prefer self-employment fields so-called “feminine”: education, kindergartens, event organizers, patisserie, beauty salon, inside lay out, old people care, etc., the weight center of business initiative is in that areas in which the professional studies, competence and expertise specialized and specific “feminine” are prevailing and not the knowledge and technical abilities determine a low level of capital, confirming again, the hypotheses of the specialization side. The hypotheses that women have the tendency to start-up business in the areas where they have worked before and that they choose the sector in which they have most knowledge and experience validates as well, over 80% have graduated from university or have done a post-university degree, slightly over half have studies in the economic field, the analyses show that the persons with studies in the economic field develop their activity in tourism and services, those who studied technical have firms with activities in industry, constructions and commerce, and those who studied the environment protection develop their

activity in agriculture sphere, but also education and research. A happy result, and, equally encouraging in our efforts is that women in the western part of Romania consider that participating at specialization courses has a positive effect over accessing repayable funds, credits, and over their business generally speaking. The conclusions formulated represent preliminary research result, the research being developed during the project AntrES which regards women who wish to initiate their own business and it follows to be continued at the level of the local centers, respective rural centers in the West of Romania.

Acknowledgments:

The project “*Entrepreneurship and the Equality of Chances. An Inter-regional Model of Women School of Entrepreneurship*”, is financed by the European Social Fund – Investing in People! contract: POSDRU/9/3.1/S/5, Value: 12,500,104.00 lei (approx. 3,000,000 Euros), Duration: 2 years (2009-2010), Coordinator: Faculty of Economics, University of Oradea, Romania; website: www.antres.ro.

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