

GENDER DIVERSITY IN ROMANIAN ENTREPRENEURSHIP -A QUALITATIVE APPROACH

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Abstract

Given the characterization of Romanian society as *patriarchal* and the history of gender relations as the history of changing one form of domination of men with another, the description is provocative for any kind of research in order to verify the presumed influences of modernity on the relationship between the two genders, or, on the contrary, to confirm the perpetuation of some secular social relations.

Considering that entrepreneurship and the modern companies' management are still suffering from lack of gender diversity in Romanian society, we propose a study on subjective factors (as stereotyping, attitudes and expectations) that influence as much as objective ones the low participation of women in entrepreneurship. We also found important consistency with *GEM 2010 Women's Report* on the similar subjective factors of Romanian female entrepreneurship.

Key words: Gender diversity, entrepreneurship, male/female entrepreneurship

JEL Code: M10, M13, J16

Introduction

The importance of entrepreneurship is stressed out by many recent studies or classic literature (Marshall, 1890; Knight, 1921; Schumpeter, 1934, 1949; Stevenson, 1985; Drucker, 1985; Reynolds, 1991; Thornton, 1999; Scott, 1991), but also in the documents of the international organizations (UE Strategy 2020). They are all considering entrepreneurship as valid solution for the future development of the entire society. Moreover, in the UE Strategy 2020, entrepreneurship, sustainable development, competitiveness and innovation are considered the key elements.

Drawing up a paper in the field of male/female entrepreneurship has the role of any research measure, more or less empirical, academic or not, in the sociologic field: role of

reflection and acknowledgement regarding women's participation as entrepreneurs; role of arousing the interest in ignored, or accepted without reserves realities and finally, identifying possible interventional measures that can be carried out in social development projects.

We are considering the gender perspective that brings forward women as social actors, neglected in the traditional scientific discourse and contributes to the enrichment of the methodological and theoretical options. The time we live asks for an open dialogue on the changing traditional and modern perceptions, including in relation to entrepreneurship and the capabilities one must possess in order to conduct a successful business. From this point of view, many studies that have carried out so far show that leadership or entrepreneurship features are related to gender and not specific to gender. Present era shows that the leading talents and abilities of women are acknowledged slowly and surely. More and more women as leaders or business owners have proved not only that they can meet the requirements of their job, completing the assumed tasks, but that they make a change at the level of perceptions in what leadership practices are concerned.

1. Literature review

Given the complexity of entrepreneurship concept, in the latest years it was adapted to the new particularities of the challenging economic environment. Thus, Shane and Venkataraman (2000) stressed that entrepreneurship also includes the study of sources of opportunities; similar to this Ács and Varga (2005) stated that the story of the entrepreneurial process is one of the entrepreneur recognizing and acting on unexploited opportunity; according to Ahmad Nadim and Anders N. Hoffman (2008), and Ahmad Nadim and Richard G. Seymour (2008), entrepreneurship is the phenomenon associated with the entrepreneurial activity, i.e. the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets; another important definition (Audretsch and Thurik, 2001; Audretsch, 2002) stress that entrepreneurship is a multifaceted and heterogeneous activity. The international organizations also provided importance to the implication of entrepreneurship on social and economic development, and we find a significant definition of the Commission of the European Communities (2003): entrepreneurship is the mindset and process to create and develop economic activity by blending risk-taking, creativity and / or innovation with sound management, within a new or an existing organization.

Considering this final definition, entrepreneurship means creativity, innovation and risk-taking. In order to start new businesses or perform in any field of activity or free market environment, entrepreneurs are constrained to innovate. Innovation at its turn means the contribution of talented, audacious individuals with the mission of introducing changes or new approaches of doing business. Consequently, there is a critical need for indistinguishable enhancement of talents, as many authors insisted. Tom Peters, in his book dedicated to leadership (2005), argued that women are a real source of talent for leadership. He boldly states that the new leaders of tomorrow's business will be women, arguing that at the present, there is a source of talent for leadership, which is so much needed, and which is outrageously hidden: women. And his arguments are simple, presented as follows¹: a) talent is increasingly important; b) the leaders' reserve does not satisfy the changing needs of the moment; c) women are a source of talent, especially talent for leadership, incredibly forgotten; d) women and men are different; e) the so called women's fortress (broadly defined as special capabilities of women) satisfies to a surprisingly degree the leadership needs of the new economy; f) therefore, women have to play an important role in solving the problem of talent; g) accelerating the incorporation of women in leadership is a strategic imperative, of a higher rank.

Our own thesis is also the apology of talent, as unique arbiter that has to govern entrepreneurship and managerial activity no matter the hierarchical level where it is performed. Talent (equally divided between sexes) became critical factor and it needs to be enhanced, because it is the only one able to make capital dance, as Nordström and Ridderstråle (2003) stated in the title of their success book.

The studies that have been carried out up to now, which tried to reveal the differences in practising business by men as compared to women, start to be irrelevant. On the contrary, the researches on the contexts in which individuals can show their special talents are added more weight², which can make the difference (for example at the level of the organization), in a world without limits regarding the possibilities of talents' advancement. The changes at the level of our society are imminent, and women will be part of the relevant answer of these changes. As for businesses and their management, women are able to bring new solutions, although the most suitable business model will integrate the male approaches as well as the female ones, without being a separation, or denial, from the model attributed to the other gender.

¹ Peters Tom, (2005), *La esencia. Liderazgo, (Essentials. Leadership)*, Pearson Educación, Madrid, p.92;

² De Anca Celia, Vàsquez Vega Antonio (2005), *La gestion de la diversidad*, Edit. Prentice Hall Financial Times, p. 67;

Similarly, the leading styles do not belong to a single sex. More and more leaders, men and women, are willing to commit their logic – pre reason – as well as intuition, to acknowledge the obvious as well as the feelings, to express technical competences as well as the ones of emotional integrity, using whole sets of features in order to achieve the best possible results. In the tendency of not limiting the leadership strengths, the most appropriate leadership model integrates the masculine approaches as well as the feminine ones.

As for gender diversity, necessary and natural in the structure of the institutions and in the leadership or business teams, similar to the demographic diversity, this represents a desirable situation, which has never been reached. A suggestive example is the female participation as entrepreneurs in Romania, which is approximately 20 per cent of all business owners, with some insignificant differences between regions.

2. Research description and results

Our approach takes the direction of a reflexive analysis of the real state of the Romanian female entrepreneurship, as part of a greater study that aimed to reveal the real implication of the Romanian women in the decision making process, at the level of business, but also at the level of the entire national economy. Albeit partial, the study can complete the picture of gender diversity in business or any economic activity in our country. We are in the situation of trying to bring some light on those gendered aspects that influence the way business are conducted in a challenging entrepreneurial environment. Without judging business practices, or making considerations on the value of womens' (or mens') entrepreneurship, our attention is focused on entrepreneurs perceptions regarding their businesses, how they see the future development of business, which are the key abilities they need or which are the most important shortcomings they felt in their careers.

The study (carried out in 2011) focused on the Transylvanian female entrepreneurship, included a number of 218 entrepreneurs (men and women), from three counties of the centre of Romania: Mureş, Covasna and Harghita. The share of 21% of women entrepreneurs, in the sample included in the study, mainly corresponds to the participation of women in business at a national level, as it resulted from other reports of the sample researches representative at a national level. Therefore, our interpretations related to the general profile of Romanian women entrepreneurs, enjoys accuracy to a rather large extent, mainly because we aimed for the

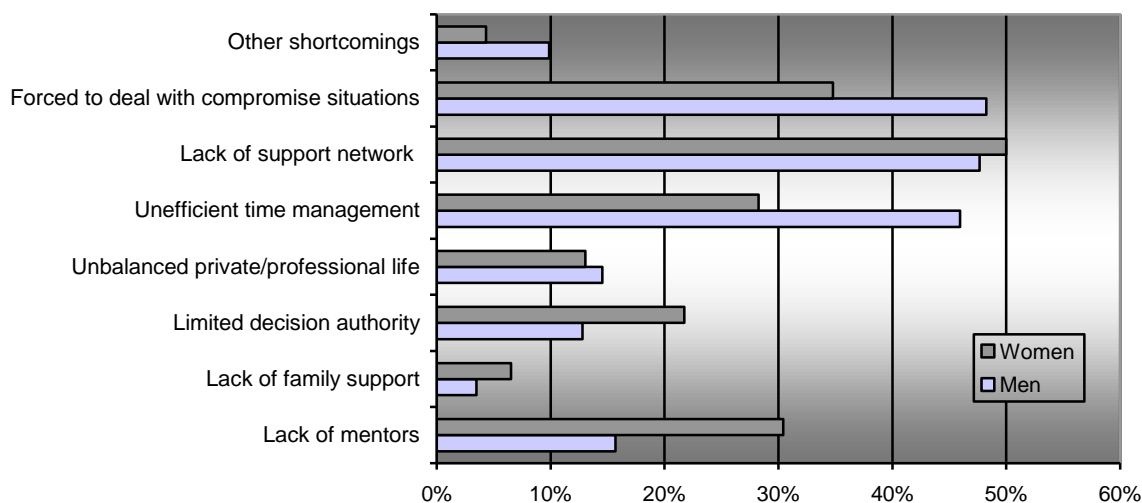
qualitative aspects of this profile (motivations, the level of studies, the key necessary abilities, gender barriers etc.). Moreover, we can state that men and women entrepreneurs match this profile, the similarities being significant in almost all aspects investigated.

The instrument designed for our study was a complex questionnaire with 24 different items, from which we selected those of relevance for qualitative characterization that we aimed. Thus, from the data we got we can generally appreciate that there are no significant differences regarding the age average of men and women entrepreneurs in the investigated sample; most of the women entrepreneurs perceive the influence of the business they run on their personal or family life as positive or neutral; the entrepreneurial motivations are layered in the same way by men and women, with financial independence, the lack of a hierarchic boss, and taking advantage of some business opportunities ranking on the first motivational positions; most of the subjects included in the study intend to develop their business or to maintain it at the current level (thus, there is a mainly positive/optimist perception related to the business environment, even under the circumstances of the current crisis); women entrepreneurs are ambitious persons, they take important responsibilities without restraints and they wish to control the environment they administrate (aspects also relatively homogenous from the point of view of the respondents' gender); perseverance and the ability of working in a team are considered the most important qualities of business women, that supported them in their careers, while the physical aspect is perceived as unimportant.

If the aspects presented above rather demonstrate the closeness between the two genders in what entrepreneurship is concerned, the shortcomings noticed by the respondents are clearly perceived differently. Business women consider that the lack of some real support networks between SMEs, the lack of models or mentors and insufficient authority for decision making, are the most important shortcomings felt in their careers.

Fig.1. Shortcomings of entrepreneurial careers

(data resulted from our study)



As shown in figure 1, the differences between shortcomings perceptions are important on these three items, as the subjects of our study reported. On the other hand, men are less efficient in time management and more frustrated in dealing with compromise decisions and situations.

According to *GEM 2010 Women's Report*, the data on Romanian male/female entrepreneurship are consistent with many of our findings. Taking into consideration the structure used by GEM (Global Entrepreneurship Monitor) in analyzing world-wide entrepreneurship (the analyzed 59 countries divided in three categories: *factor-driven economies*; *efficiency-driven economies* and *innovation-driven economies*), and comparing Romania with the other 23 countries of its category (the efficiency-driven economies), data reveal some significant aspects about male/female entrepreneurship, as presented below.

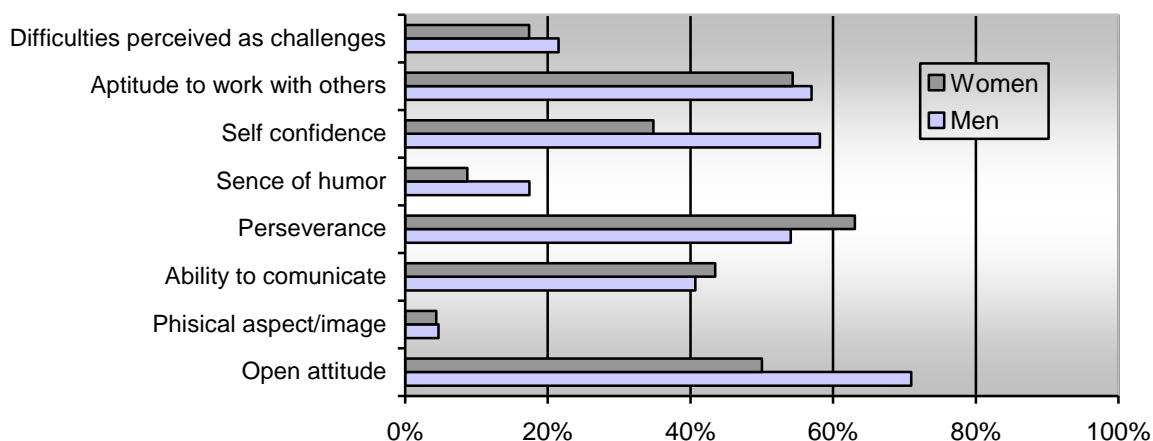
The Romanian female participation in Total Early-Stage Entrepreneurial Activity (TEA) is the lowest within the category of Efficiency-Driven Economies (Women's Entrepreneurship Activity Levels and Characteristics, figure 5, p.19); the perceived capabilities and opportunities for business of the Romanian female entrepreneurs are also low compared with most of the other countries of the category (Societal Attitudes About Entrepreneurship, figure 2, p.15); the fear of failure among Romanian female adults (ages 18-64) who perceive good opportunities for entrepreneurship is the highest in the category, while the fear of failure of male adults corresponds to the average in the group (Societal Attitudes About Entrepreneurship, figure 3, p.15); the ratio of discontinuance to total business

ownership (nascent, new, established) reveal a significant disparity between Romanian male and female entrepreneurs, with a doubled ratio of discontinuance in the case of men (The Role of Networks in Women's Entrepreneurship and Business Ownership, figure 12, p.33)³.

These atypical data regarding Romania from GEM 2010 Women's Report can be explained (although partially) by the shortcomings of the entrepreneurial career reported in our study. The low perceived capabilities and opportunities for business and the high fear of failure of the Romanian female entrepreneurs are congruent with the perceived lack of self confidence, lack of mentors, or the absence of family and network support. We can also put the ratio of discontinuance in business upon unefficient time management and the ambiguous and challenging business environment that force entrepreneurs to deal with compromise situations.

Also interesting in our study was the investigation of the key abilities of the Romanian entrepreneurs, as the subjects themselves described them and put those selected abilities into the importance list. This was a manner of self-evaluation of their capabilities and strengths, pointing out the qualities that helped them through their careers. Once again, the key abilities seen by Romanian entrepreneurs are not very homogenous as gender perspective is concerned (see figure 2).

Fig. 2. Entrepreneurs key abilities
(data resulted from our study)



³ Data retrieved from *GEM 2010 Womens Report*, available on <http://www.gemconsortium.org/docs/768/gem-2010-womens-report>

Three of these qualities, mostly linked together, are scoring important differences by gender. From the female entrepreneurs point of view the most important is the lack of self-confidence, which somehow has an impact on the other two qualities - sense of humor and open attitude. This important lack of a female personality was frequently brought out as the most obvious explanation for the modest participation of women in management positions, by many researchers and management practitioners from all over the world. Less self-confidence generates fear in presenting new ideas, fear to innovate and adopt audacious decisions, a kind of reserved attitudes and behaviors in working groups etc., all of these with negative impact on business volatile environment, in which normally survives the most courageous and creative entrepreneurs. Women are seeking therefore the secure path to success, even though it is the harder or the difficult one. They are more serious and perseverant in their actions, and this generates the perception of reduced sense of humor, compared with their male counterparts.

Possible motives or explanations for these differences perceived by Romanian entrepreneurs regarding their key abilities are the so-called gender barriers for business. According to a 2006, ANIMMC study⁴ (The National Agency for Small and Medium Enterprises), the barriers for Romanian business can be divided in two different categories, as shown in table 1.

Table 1. Common and gender barriers for Romanian business

Common barriers for business	Gender barriers
<ul style="list-style-type: none"> ▪ Financial difficulties ▪ Difficulties in finding proper contacts for business ▪ Lack of informations/consultancy ▪ Lack of modern technology ▪ Less qualified personnel ▪ Pressure of taxation ▪ Birocracy 	<ul style="list-style-type: none"> ▪ Professional stereotypes (smaller medium wages for women, difficulties in getting specific jobs etc.); ▪ Traditional collective mentality, plenty of prejudices; ▪ Balancing professional and family/privat life; ▪ Maternity and children care; ▪ Stereotyping women promotion in mass-media

Source: ANIMMC study (The National Agency for Small and Medium Enterprises), 2006

The common barriers are listed by importance, with financial constraints carrying the greater weight in doing business, and birocracy the lesser. The gender barriers instead are

⁴ The National Council for Romanian SMEs (CNIPMMR) also drew the portrait of the Romanian entrepreneur, by investigating over 1000 small enterprises in 2009. Important characteristics of this portrait, regarding entrepreneurs level of qualification, age average, gender etc. are available on <http://www.cnipmmr.ro/presa/conferinte/30.07.2009.pdf>

listed randomly, observing that three of them are linked to traditional mentalities and stereotypes, while only two are very precise, pointing on family or privat life of women entrepreneurs. According to this barriers list we can have the image of different gendered way of doing business, in which female entrepreneurs are facing more obstacles, with important consequences for their lives. Some of these consequences are:

- Having less spare time because of the double burden (family and career);
- A sense of unappreciated efforts, in business and family, not being able to fully dedicate in either of the two;
- The pressure of high performance (women have to prove their business abilities at least at the level of their male counterparts);
- Passive attitude regarding implication in political or social life of the community.

The fact that gender barriers decisively influence women's decision of starting or doing business is very important and was reported in many studies. For example, the prejudices and Romanian collective patriarchal mentality still act against them, being factors that limit their access to the entrepreneurial field. A previous study that we conducted on attitudes towards women managers, revealed important percentages of neutral or negative attitudes, even from the younger segment of our subjects⁵.

The positive entrepreneurial models usually stimulate the set up of a new business and have an important impact on entrepreneurs; unfortunately Romanian women have few feminine models, as compared to men, mostly because those women who enjoy success in business are not assuming mentor/model roles. This situation leads to the reduction of the positive effect on the decision of starting business of the potential entrepreneurs. We also have to mention the impact of economic slowdown that affected perceptions among all entrepreneurs, with more pessimistic expectations among women entrepreneurs (as reported by GEM 2010 Women's Report – Impact of the Global Economic Slowdown on Women Entrepreneurs, tabel 4, p.40).

Conclusion

⁵ On A., (2010), „The Role Of Higher Education In Changing Attitudes And Perceptions Towards Women Managers“, Proceedings of the 6th International Seminar on Quality Management in Higher Education, Tulcea, Romania, p.243-246;

Looking for an explanation for the gendered uneven participation in entrepreneurship we explore the subjective side of perceptions, expectations, and attitudes of Romanian entrepreneurs. The picture resulted reveal the necessity of greater implication of the government and economic and political institutions in the creation of environments in which women are encouraged to take the path of entrepreneurship. The educational institutions can also improve their impact on promoting positive societal attitudes towards business owners, and in particular, towards women's engagement in entrepreneurship. As unified global approach to policies promoting women's business ownership is not feasible, Romania has to find its own way to maximize results from putting into work its highly educated and motivated human resources.

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