

GENDER DISPARITIES IN THE ENTREPRENEURIAL FIELD IN WESTERN ROMANIA

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The entrepreneurial spirit may develop in any economic sector and any type of business, both in the case of men and women, it is applied to a wide range of organisations, from family businesses to large companies, irrespective of the structure of shareholders, from NGOs to companies gone public on the capital market, firms from all sectors of activity.

As regards the gender disparities in the entrepreneurial field, studies reveal the fact that although the two genders are similar, women entrepreneurs differ from men through motivations, their business ability and occupational past.

Although the gender differences are still important, the number of women entrepreneurs has significantly increased compared to the previous period.

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1. Introduction

According to the definition of the MacMillan Dictionary of Modern Economics¹⁹¹ the entrepreneur is the factor who organises the manufacturing process, is in charge with the economic decisions regarding what is produced, in what quantities and through which manufacturing methods.

Entrepreneurship is first of all a state of mind referring to the motivation and capacity of an individual to identify opportunity and follow it with the purpose of producing value or economic success.

Entrepreneurship means people and refers to the decisions they make and to their actions in starting, taking over or managing a business.

Although the financial independence is very important, some people say they choose to become entrepreneurs motivated not only by potential earnings, but especially by the challenges the business world implies. For others, who do not feel fulfilled by the position of employees, the chance to become entrepreneurs present the opportunities they need in order to build a better position. It was found that the satisfaction provided by work is higher among entrepreneurs than among employees.

Some persons are involved in the entrepreneurial activity because they have identified certain attractive business opportunities, whereas others are involved in entrepreneurship because they do not see another way of earning their living. For those attracted to entrepreneurship one may identify two major reasons of opportunity, i.e. independence and increase of revenues. The other motives of involvement in entrepreneurial activities are the necessity and the maintenance of the present revenue level.

¹⁹¹ *MacMillan Dictionary of Modern Economy*, Codecs Editions, 1999, p. 216.

Women are motivated, in general, by their need for independence and achievement, resulted from the frustrations related to the place of work. In contrast, men tend to be led by the desire to be in control, to try new things.

In terms of personality, women and men entrepreneurs match the classic success profile, proving courage, energy, discipline, orientation towards goals, enthusiasm, innovation, persistence, passion, vision, orientation towards the customer and desire of commitment to hard work. In comparison with men, women tend to be more flexible, balanced and tolerant, more realistic. Some researchers pointed out that women are more prudent, more confident, less aggressive and more easily persuaded, with more reduced abilities of leadership and problem-solving, when decision making implies certain risks.

Moreover, women have been described as being dependent of those around them, as caring more about the others; the tendency towards ethic behaviours is more powerful among women, being less likely that women grant incentives for closing a deal.

2. Dimensions of the entrepreneurial phenomenon in the west of the country

Actually, typical studies on women entrepreneurs are focused upon their distinct individual features (motivations, personality traits, experience) or upon the characteristic of the firms they have created (size, sector of activity, management style, strategies adopted by women, performance of the business led by women).

Similarly to the entire country, in the western Romania (Maramureş, Satu Mare, Timiş, Bihor, Arad or Caraş-Severin), although the increase of business owned by women is encouraging, their size is reduced in terms of earnings and number of employees, compared to men's businesses.

Moreover, if as regards the rate of the active population registered in Romania's western counties we find that the data, as they are presented by the National Institute of Statistics, do not reflect the existence of certain gender disparities (the average of these counties is of approximately 96% both for men and for women), in the case of business ownership the discrepancies are still very high between women and men.

By comparison, we may remark that men are more frequently found in the role of company managers, but also among the self-employed (natural authorised persons) in the year 2008.

As regards the number of natural authorised persons (self-employed persons) legally registered until 31 December 2008 (table no. 1), in Timiş county there are only 8348 such entities, less than in Maramureş, Satu Mare, Bihor, Arad; in Caraş-Severin, at the level of the year 2008 a number of 4940 self-employed people were registered. Moreover, we find that in Timiş the number of women registered as self-employed is not even half, compared with the number of men (43.39% of the number of men).

Table no. 1

Self-employed persons legally registered until 31 December 2008

	MM	SM	BH	AR	TM	CS
Women	5955	3528	4024	6277	2526	1896
Men	8848	5512	6528	10136	5822	3044

Source: *National Office of the Register of Commerce, 2009*

Although at a different level, discrepancies are found in all the other analysed counties, where the number of self-employed women is nevertheless above the half of the number of men, the less gender difference are registered in Maramureş county (but here also, the number of self-employed women is much more reduced than in the case of men, because their percentage is only 67.30% of the number of men registered as self-employed).

Table no. 2

Managers of companies registered in 2008

	MM	SM	BH	AR	TM	CS
Women	710	1455	1039	870	1569	399
Men	1985	1592	2754	1956	3792	772

Source: *National Office of the Register of Commerce, 2009*

As regards the management of a company (table no. 2), we remark that in the Timiș county we encounter the highest number of businesspeople, but the gender differences are found also in this case (1569 women and 3792 men).

In the Timiș County also, we register the highest number of women administrators of small and medium companies (table no. 3).

Table no. 3

Administrators of small and medium companies registered in 2008

	MM	SM	BH	AR	TM	CS
Women	4967	4006	8659	5455	9834	2186
Men	10444	7698	17012	10740	20957	4168

Source: *National Office of the Register of Commerce, 2009*

Although the figures in this field, as they appear at the county level, are higher than the national average, the gender disparities are evident, if we were to relate of the number of women and men who are managers of companies, administrators of SMEs, or self-employed persons.

According to the data supplied by the Office of the Register of Commerce, in the Maramureș county there are 4967 women managing SMEs and 10,444 men. Nevertheless, the density of companies in this county is much more reduced in comparison with the regional or national average, as there is a percentage of 16.96% companies per 1000 inhabitants (the regional average being of 26% companies per 1000 inhabitants). We refer mainly to SMEs preponderantly led by men.

One particular fact draws our attention by far, i.e. irrespective of the type of incorporation, the Caraș-Severin county ranges last, as the number of entrepreneurs is much more reduced compared to any of the other analysed counties.

The potential of creating small enterprises in Caraș-Severin county is limited, as there are few people who dispose of private capital, and the banking systems offer a very reduced access to capital. However, where experience was present, solid businesses were created, that efficiently used the valuable management resources and where access to western markets was, there also occurred remarkable results. In other cases, management was confronted with the issue of formulating and implementing a good strategy of survival and development.

As for the gender differences, we remark that in this county also the women managers are much fewer compared to men, but the latter are very few in their turn.

We may remark the fact that in all the analysed counties the number of men managers of SMEs is approximately double than that of women, the discrepancies being more obvious in the case of the managers of large companies (table no. 4), in the latter case the number of men being seven or eight times higher than that of women.

Table no. 4

Managers of large companies registered in 2008

	MM	SM	BH	AR	TM	CS
Women	33	13	38	83	67	11
Men	121	67	141	220	264	89

Source: *National Office of the Register of Commerce, 2009*

On the other hand, we must underline that along with the increase of the number of newly-founded companies, the number of companies created and/or managed by women has increased as well.

We also wish to highlight the concentration of the SMEs in the region dealing in the field of textile industry, a field toward which especially women tend to orient themselves.

The feminine entrepreneurial culture in Romania is closely connected with the attitude of society towards the status of women managers. In a traditionally patriarchal society that expects women to be first of all good administrators of their home (i.e. good mothers and skilled housewives) it is difficult to feel integrated into the men-dominated entrepreneurial world.

Moreover, the segregation on the labour market has major influences also upon the entrepreneurial tendencies of women. Similarly to the labour market, in the field of entrepreneurship the women's interest is also oriented toward traditionally feminised sectors.

It was found that the domains in which women work are preponderantly traditionally feminine, e.g.: public administration, commerce, education, housekeeping, and social work. Nevertheless, their interest for self-improvement are focused on exact domains and sciences such as: finances, management, environment protection, tourism, human resources or methodology.

And yet, women face a series of difficulties men do not normally encounter. The banks and other financial institutions are more conservative and reluctant to grant loans to women entrepreneurs. An explanation is the fact that some banks assign successful entrepreneurs' traits especially to men.

3. Conclusion

The decision to start a business in the case of women is more complex, as they are usually more connected than men to the obligations related to family.

On the other hand, the starting points and the motivation to start a private business are similar for men and women, although women tend to be more motivated by the need of achievement resulted from the frustrations at the place of work, provoked by the lack of opportunities of promotion and talent manifestation, both genders have a strong interest for the domain of the firm.

As regards the sources of financing, women generally rely on the personal assets and savings, as women get loans from banking institutions with more difficulty than men.

We also found that in general the personality traits are similar for men and women entrepreneurs. Both men and women are energetic, independent, sociable. However, men are often more self-confident and less flexible and tolerant than women, which may led to the existence of very different management styles.

The nature of businesses led by men and women are also different. Women tend to start a business especially in the field of services and retail. Consequently, the businesses owned by women are often smaller, and their revenues more reduced than those of men. However, the business opportunities for women have an unprecedented growth tendency, as the field of services exhibits an accented development trend.

As shown by one of the most complex studies in the field of feminine entrepreneurship in the year 2007¹⁹², we may underline the following:

- Potential women entrepreneurs are 35 years of age on the average and they have around 8 years of experience. Most of them (62%) have studies or training in management and business administration r;
- While the new and potential women entrepreneurs declare that their main motivation to start a business is the opportunity to earn higher revenues, the

¹⁹² Driga Otilia, Lafuente Gonzales Esteban, *Feminine entrepreneurship in Romania – Personal traits and effects of socio-cultural variables*, CEBR, 2007, p. 9.

SMEs owners consider that their main motivation is the identification of a business opportunities they wanted to take advantage of;

- The social status associated to entrepreneurs and the feeling of respect towards them are perception factors positively influencing the decision to become an entrepreneur;
- The existence of positive entrepreneurial models stimulate the activity of women entrepreneurs in Romania. 38% of the women who have not started a business yet, but intend to do it in the future, declare to have acquaintances that are entrepreneurs within their social circle (family, friends). In comparison with men entrepreneurs, women however dispose of less entrepreneurial examples. This result confirms the results obtained in empirical studies at the international level and to support the idea that women, because of their exclusion along time from economic and social life, dispose of less entrepreneurial examples.
- Women tend to start smaller businesses than men entrepreneurs. Considering the initial number of employees as the size criterion for the business, this number is of 3 employees in the case of women and 4 in the case of men. Nevertheless, the businesses of Romania women entrepreneurs tend to develop more rapidly by a growth rate of approximately 39% compared to 31% in the case of men.
- Women entrepreneurs in Romania are involved in international business more than men entrepreneurs. 13.2% of the products or services provided by firms created by women are dedicated to export while this percentage is of 13.14% in the case of men.

Consequently, we may conclude that although the gender differences are still important, the number of women entrepreneurs has significantly increased compared to the previous period. The modification of family life and professional activity made more and more women get involved in business. Women entrepreneurs are different from the other women by the fact that they are more inclined to assume risks, they are more decided and firm and they exhibit a higher desire to control their own destiny.

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