COLLECTION OF THESIS

Gergely Orsolya’s

Female entrepreneurship
The profile and motivation of women entrepreneurs in Szeklerland

Ph.D. thesis

Supervisor:
Dr. Nagy Beáta
associate professor

Budapest, 2010.
Institute of Sociology and Social Policy

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I. Research-antecedents, legitimacy of the topic

The emergence of entrepreneurs and small businesses around the world play an important role in boosting up the economical situation. International researches show that female entrepreneurs can also play an important role in this area (Maxfield 2005). For low-income countries with development deficiencies like Romania the existence of entrepreneurs (including women entrepreneurs) can be a pivotal issue (Ashwin 2000). Both entrepreneur management problems and successes have an impact on a macro-social level (Firestone 2010). Nevertheless the development of the business sector may be an indicator of a predictable legal structure and a prosperous economy.

The topic of the research and the Ph.D. thesis is the sociological study of female entrepreneurs’ motivation for starting up and managing small and medium sized businesses in two Romanian counties. The research was conducted in a significant part of Szeklerland, the two administratively identifiable territories of Harghita and Covasna counties. Our goal was to describe the socio-demographic profile of female entrepreneurs and to analyze the cultural and territorial connections of the experienced entrepreneurial behavior. In addition, we studied the profile of these businesses, and we endeavored to a description of individual or collective patterns of business-running logic and to capture these in relation with family-lead modalities.

The female characters that appear among entrepreneurs could be responsible for the introducing of an emphatic, complex innovation practice, which might generate significant changes at a societal level. This change suggests the splitting with age-long practices. The cognition of the issue presumes the understanding of a very complex, elusive, multi-factorial process. The problem is organized around two key-concepts: the inheritance and the innovation. Bequeath and reproduction of the traditional social roles appears next to a form of modernity launched (as well as) by socialism (Bodó 1998). We are speaking about a traditional society where the social definition of gender roles follows a longstanding system of norms valid for centuries. However, all this had been radically modified by the forced urbanization and modernity brought by the socialism. These norms, regarding to gender roles were not eliminated, but were expanded (Magyari-Vincze 2004, Geambasu 2004). The women's business practice – in post-socialist transition countries – should be interpreted in a different social context than in case of men (Welter-Kolb 2006: 8). The Soviet socio-ethical norms introduced and left a paradox situation for women: besides the uptake and the expression of gender equality (women's education, work), it also left the former model like
"housewife" role and motherhood as a part of the female role in society (Aswin 2000). Thus, since the second trimester of the twentieth century, the women had to engage to endure double or multiple burdens (Aswin 2000, Welter-Kolb 2006, Magyari-Vincze 2004). The four decades of the socialist era has provided for women living in Romania the opportunity, the desire and the aspiration for self-realization, in turn, it did not transfer the route map to achieve all these. After the beginning of the post-socialist era, the gates of consumer society elements, material and post material values were opened. Direct and indirect methods opened the possibility to explore Western model – the most frequent practice was the work-migration (Bodó 2008). Hereby, people (in our case: the women) from this region had to confront again with a new challenge. Although the participation in this immigration process was less characteristic to female gender roles (Kiss-Csata 2004: 112), as in the long-term and seasonal work-migration were involved mainly young, married men (Bodó 1996: 74). This also means that sometimes women had to carry alone the burden of the whole family and also means that compared to men, women accumulated a significant disadvantage in terms of human capital and labor market perspectives (eg. experience).

The social relevance and importance of the issue is also due to the fact that women had the opportunity to actually shape their own careers only after 1990, in the "new world". Even though the women's roles and responsibilities have become increasingly complex, the inhabitants of this region had the opportunity to experience these changes for the first time in their history. It was the first time when a woman could operate independently, respect to the economical, financial terms of organization and task divisions.

The social innovative role of this group of female entrepreneur’s occurs as a challenge not only in the terms of economic activity (such as profit-raise or regional, territorial development promoting). In addition, these women entrepreneurs could be leaders in the restructure process of the female social roles’ system. Both tasks are cumbersome tasks, the second one even more since the elements of role structure heritage have the same impact as the newly-ins. So the fact is that this group may be a multi-innovative one at community level. They seemed to be reckless because the financial risk-taking is not part of the traditional mentality. At the same time courageous, because they start an activity with self-confidence, an activity for which they got no model. In addition, they have to be innovative, because they invent for themselves a brand new or a not so typical activity. And they manage to create a market for their products, their services. They are also crisis-managers, because they find the way to resolve difficult situations and to supplement the family income. And of course, they do all this without neglecting the family and the children, remaining
loyal to the traditional roles. Last but not least, they manage to develop a (n effective) method to avoid the unemployment, seeking to redress the deficit of the labor market.

After 1989, the country (Romania) suffers from multiple disadvantages. For an area without industry, without a major driving force, this pertains even more. The women have to pass through an unfavorable labor market situation: they have only few and low paid employment opportunities. Women could not have „high level” networks from Soviet times and as some researches demonstrate, women entrepreneurs lack the level of social capital and contact like men had or could have. This was and (still is) disadvantaging them in the early stages of transition in getting started (Welter–Kolb 2006: 8). Research also shows that the entrepreneurial success depended in many post-socialist regions (Welter-Kolb 2006) and in Szelkerland as well (Kiss 2004) on the convertibility of this social capital. And this puts the question of woman entrepreneurs in a highly interesting light: from this kind of social situation, how does someone become a risk taking innovator? Who becomes such person? Why exactly do they become entrepreneurs? How, in what way is it possible the harmonization of these wide range – external and internal – expectations?

The social relevance of the question is also important, because on one hand the understanding of business practice could bring significant social benefits from a regional developmental point of view. The successful practices and solutions might generate further positive processes. And this kind of sociological approach could have a role in the shaping and strengthening of female entrepreneur identity. Nevertheless, the importance of professional analytical work consist not only in coloring a „white patch” but it also brings a specific example of a „catching-up” exercise in wider post-socialist regional and European context.

The importance of female entrepreneurship research

A sociological investigation focusing on the female entrepreneurial is justified, since there are no researches dealing with women's entrepreneurial culture, this field seems to be untouched in the region and in the country as well. Why is a research like this important in a small-town and rural area? First because the everyday experience shows that even today a substantial number of female owed small and medium sized firms appear. This number is expected to grow rapidly and as a result a female role-growth can be expected (Epstein 1993). On the other hand, however - according to cultural anthropology researches - this area still operates with a lot of traditional cultural models, which still have very strong impact on the social gender roles, on social identity and self-
determination (Magyari-Vincze 2004). The division of male and female social roles, the beliefs about women's place and role still follow – in many aspects – the traditions of previous decades (Magyari-Vincze 2004), the raising of children and household activities remained – almost exclusively – in the female role-package (Welter – Kolb 2006), as the traditional "order" is followed as well.

In this context is worthwhile examining how women succeed in establishing and running efficiently substantially different roles from the traditional patterns and beliefs. The female role-construction appears as a kind of challenge: for women entrepreneurs but for their social environment as well.

**Theoretical framework**

The entrepreneur is a key actor of the market economy (Lampl 2008: 235). A strong entrepreneurial class is an essential element not only for an economic development, but an independent business sector is also necessary for the edification of democracy (Lampl 2008). In fact the entrepreneurial culture and its level of development is the key-factor of economy. It is crucial how one country, region, area can motivate the entrepreneurs to develop their firms and people to start a business (Startiene-Remeikiene 2008). It is therefore not surprising that the entrepreneurship appears in the focus of the social research, it is understandable that in recent decades the sociology is increasingly turning to the entrepreneurs, to the entrepreneurial practices (Thornton 1999).

Over the past few decades women around the world become increasingly active participants of the business sector (Boon 2005: 161). The authors acknowledge this with normality, because – according to them – a private firm is the only option for avoiding gender gap (Firestone 2010), serious personal and professional fulfillment can be achieved, career-building obstacles, like direct or indirect discrimination or the glass ceiling phenomenon can be eliminated (Arenius-Kovalainen 2006: 31). In addition, of course, the entrepreneurship is also a way of attaining financial income, personal autonomy (Arenius-Kovalainen 2006: 32), but having an own business – as many empirical studies claim – creates the opportunity for the harmonization of business and family activities and duties in such way the employee's status does not permit (Arenius-Kovalainen 2006: 32). Not surprisingly, therefore, that in the last 20-30 years the proportion of women who became entrepreneurs increased worldwide. According to some authors, even so the number of women
entering a business is still far short compared to the number of male entrepreneurs (Arenius-Kovalainen 2006).

**Empirical history**

The Romanian entrepreneurial literature in social research is colorful, but it is highly heterogeneous regarding to approach, topic and methodology (Sandu 1999a, Csata 2006). Surveys tangentially deal the question of entrepreneurship, but in the majority of cases only tinge the subject. The topic-related researches are offering a lot of useful information, especially those that are studying and presenting the business practices in one locality or region (Sandu 1999b, Lázároiu 1999). The studies and researches regarding to Hungarian people from Romania, especially Szeklerland can be directly or indirectly associated with the business practices. A significant part of the analysis and the database concerns the situation of family households (Mozaik 2001, Household survey 2004 etc.) focusing especially on what kind of role have the private firms in the family workforce-use and on the income structure (Biró 2007).

The transition period, experienced by the post-communist countries, induced a number of socio-economic changes. After 1989 Romania also passed through a very significant institutional transformation, one of the most important is the private, non-state sector-led economic build-up, operation and development. In the establishment of the private sector the emergence of companies and firms had a leading role and in the development of the economy besides large companies the small and medium sized firms have an increasingly larger role as well. The increasing number of private firms in the post-soviet countries – where the private sector did not exist for decades – has become one of the main topics of the socio-economic analysis regarding Central and Eastern Europe. However, in contrast with the economical analysis – approach, for which this process is exciting in terms of profit and loss – the focus of a sociological research is rather the social conditions of establishing and managing a small and medium-sized firm (Scase 2003 Aidisa 2007, Csata 2006). We also might presume that the entrepreneurial spirit should be pursuit primarily not in individual aptitudes, but in socio-environmental conditions (Sandu 1999). In an emerging market economy the entrepreneurial behavior means – according to Sandu – a social innovation and social role-learning process, the learning procedure of a whole new way of thinking compared to the earlier models of socialization practices in "a negative social-economic-political environment" (Sandu 1999b: 117). This is a big challenge for entrepreneurs in the rural sector.
Research Questions

The thesis investigates the following questions:

1. Along what characteristics can be described the typical woman, who is starting a business?

2. How is and can be compatible an entrepreneurial life with the "traditional" female roles?

3. For what kind of purpose the women in this region are becoming entrepreneurs?
   3.1 Which primary motivations could be attributed to one female entrepreneurship start?
   3.2 Which could be the secondary motivations for women to start a business?
   3.3 Does the lack of job-opportunity leading women to become force-entrepreneurs or more positive incentives affect this decision?

4. What kind of narratives are behind their professional and personal lives?
   4.1 How appears the business and what kind of meaning have in their narratives?
   4.2 How is in their professional and personal story interpreted the existence of entrepreneurship?
   4.3 How, in what way do they integrate the entrepreneurial role in their personal life stories?
   4.4 How do they define the relationship between business and family?
II. The structure of the thesis

The topic, after a brief introduction – is presented in five separate parts, followed by a sixth chapter which contains the conclusion. The logical structure of the thesis is as follows: in the first section we can find a review of the sociological research literature on entrepreneurs and entrepreneurial. We do this primarily based on international, post-socialist theoretical work, processing the entrepreneurial literature from Romania, Szeklerland as well. However, the chapter dedicated for presenting the literature deals mainly with the international approach of women entrepreneurs literature: we assign attention to the thematic approach of women as entrepreneurs, as well as to women entrepreneur’s obstacles, motivations and types.

The second chapter’s aim is to present the socio-economic context regarding Romania and especially to Szeklerland. We discuss about the appearance and number of firms from the perspective of the two counties and present a brief overview of the national legislation and national regulations. We also introduce the results of a previous research that took place six years ago, which contributes to the objective situational representation of woman’s labor market position and opportunities.

The assumption and discussion of the hypotheses is placed in the third short chapter, in consonance with the empirical literature and history, considered to be the most important one regarding our topic. The formulation of five hypotheses takes place, which are presented in four thematic blocks. This part is followed by a detailed description of the used methodology included in the next (fourth) chapter. This chapter describes the process of gathering empirical data: the research survey and technical description of the sequences of the interview study.

In extent the longest, the fifth chapter contains the presentation of empirical results: firstly will be analyzed the quantitative and then the qualitative research data. The use of the two interviewing technique warranted the analysis along the two empirical research lines. Nevertheless, we are constantly striving for the interconnections and projections between these two interpretation blocks in order to make a compact conveyance of the results. Finally, in the last chapter we overview the possible answers to the questions raised, respectively we realize the summation of the conclusions and statements that can be deducted from the research findings.
III. Methodology

Basically, two methods were used, this resulting that the research methodology is based on two pillars: a survey was conducted and interviews were taken as well. So during the data collecting process the quantitative and qualitative methods were used at the same time.

In this research we operated with a special entrepreneur concept: it was considered to be an entrepreneur the person who owns and runs an officially registered company. The researchers deliberately ignored those women who are family doctors or dentists, veterinarians, since in this kind of professional areas is required to have a private practice, so there is no entrepreneurial activity behind the decision.

The survey research was launched in 24 March 2010th. We have created a database from electronically accessible data regarding companies registered in Harghita and Covasna counties. It were selected those companies for which at the owner (manager) were included female names. Thus the base of the sampling was constituted by this name list including 8504 people (female). Starting from these lists we made a random sampling, taking into consideration the size of the town or area in order to narrow to 20-30-40 the list of people selected for direct interviews. This is how the final sampling was established: 240 questionnaires in Covasna County and 360 questionnaires in Harghita.

The qualitative research began in late 2008 and ended in May 2010. During this time 31 in-depth interviews were conducted with women who have an individual business or operate a business as a partner and this is mostly practiced as full time “job”. The starting point in selecting these persons for interviews was the local network of friends and then by the snowball method more persons were included in the research. At the selection of the interviewed we paid attention to selecting people from both counties, living in urban and rural areas as well and we have also tried to keep the equity regarding the age of the interviewed.
IV. The main results of the thesis

During the research conducted among women entrepreneurs in Szeklerland has been accumulated – within a couple of years – considerable amount of empirical material, from which only a part has been processed in this study. The further analysis of the research results will occur in the future. The present work is based on interviews and a questionnaire survey covering around five hundred of respondents in order to present the population of entrepreneur women in the two counties of Szeklerland. Our goal was to analyze with sociological research methods the motivation of the women in starting and managing a small and medium-size firm. We wanted to draw a picture about the socio-demographic profile of these female persons, and nevertheless to analyze the cultural and territorial connections of the experienced entrepreneurial behavior. In addition, we studied the profiles of these businesses and we endeavored to a description of individual or collective patterns of business-running logic and to capture these in relation with family-lead modalities. After the data analysis we can conclude that the major part of the formulated hypothesis has been confirmed. We present the results as follows.

We could say that the typical female entrepreneur is middle-aged, has secondary education, is married and she is mother of two children (Walker-Webster 2006). The women entrepreneurs have slightly higher levels of education than the women from Szeklerland in average, are more willing to study, to participate in vocational-training, they have better communicative competence in Romanian language, and many of them speaks English as well.

The research survey, but perhaps even more prominently the analysis of the interviews demonstrated that the level of social commitment to the traditional female roles is very high, which determines the attitude toward business as well. For the majority of woman the entrepreneurial activity must be absolutely compatible with family life and mostly everything is in the second place: individual self-fulfillment, professional success and career development.

The age is clearly an important determinant for the character of entrepreneurship, for the entrepreneurial attitude, for the entrepreneurial identity and entrepreneurial type. Nevertheless, our hypothesis that the labor market socialization is extremely dominant was only partly verified and proved to be correct mainly regarding to age. Older and younger women entrepreneurs manifest different style, attitude in a series of behavior-related issues. However, this can be attributed to individual life situations (family, children, age), to labor market experience, and no squarely to the socialist working culture before 1989. But it is a fact that older women are less
risk-taking entrepreneurs, rather organizational ones. Younger women are those who are willing to take on considerable financial risks, they are more flexible, more courageous, are opened to other kinds of "territories" in terms of entrepreneurship, they are much more dynamic.

The data also continuously confirmed our assumption, that we will find an emerging, but atomized entrepreneurial strata, which will be characterized by a low level of entrepreneurial culture. We have seen that the entrepreneurial identity is encountered as expletive to women, mother, wife, "family responsible" identities. The entrepreneurial ideals are less incorporated. The culturally embedded, the mild community prejudice and "collective suspicion" against entrepreneurs generate a constant sub-dimensioning of entrepreneurial activity and evokes continuous self-explanation attitude among women. At the same time almost exclusively small individual stories, ideas, plans dominate the women's ideas about entrepreneurship. Women, or women's entrepreneurial associations are less or do not exist at all. Or if there are, they exist mostly formally. The associational work, the common fundraising, the collective interests are just experimental and isolated experiences.

Mostly these women run small businesses and these enterprises are related to the traditionally female roles’ work area. The most frequent are groceries and mixed shops, firms in beauty industry (hairdresser, manicure, pedicure), flower or gift shops, firms specialized in nutrition (bakery and pastry shop, restaurant, cafe, catering company operating), in textile industry and clothing (new and used clothing and footwear store operation, dressmaking), services (bride clothing rent, cake preparation, gymnastics). The number of financial services (accounting, financial advisory services) and other kind of business services (translation, tender advice) are few and vanishing. It is also clear that there can be find mainly merchant-type businesses (Sandu 1999b). However is common the service activity within firms, but those who have a productive activity are very low in number.

Indeed we found a group of women entrepreneurs who can be could model follower. The most common situation is that the husband is entrepreneur, the second most common that the father, rarely the brothers or a female member of the family is an entrepreneur (eg. aunt), but this only in very few cases. In these cases is more identifiable a courageous and a more significant risk-taking attitude and the entrepreneurial identity is more solid. These women are the ones who consider themselves and their businesses prosperous and have stronger, bolder plans.

For the influence of the pushing factors (Boon 2005) as dominant factor in the entrepreneurial decision we could not be found sufficient evidence, it seems that exists a group that we could
consider forced entrepreneurs, but not so large in number as we previously assumed. The pushing factors are much less dominant factors – in the light of the research results.

Mostly instrumental-entrepreneurs (Lampl 2008) can be found in our population, the ones who mainly choose to start a business as an instrument for achieving a better living, a more relaxed family life and a comfortable everyday life. Only a small number of women can be called intentional-entrepreneurs: they are the one whose old dream, desire was to create an individually imagined job, a special working environment. Independence occurs as a very important motivating effect: in those cases, for the non-forced entrepreneurs the most important motivating effect was independence, income and flexible working hours.

We draw four group of ideal types of female entrepreneur along four criteria: (1) according to the type of work/task, we established trader, supplier and producer entrepreneur types; (2) according to the bound between the business and personal life we can talk about quasi-random, instrumental and intentional entrepreneur women; (3) from the perspective of the entrepreneur ideals we can say that within the tested population can be found a technocrat entrepreneur, but also profit-seeking entrepreneurs and carrier-building entrepreneurs; (4) regarding motivation we believe that there can be identified four types: model-follower, job-creators, ambitious and check desirers (Gergely 2010: 48-49).

Along the research results we can clearly make a series of statements regarding the female entrepreneurs from Szeklerland.

• We can say that there are only a small number of groups who are having and leading a firm as a full time job. This is especially characteristic to the region due to a lower level of entrepreneurial culture and due to the deeply embedded traditional role patterns. The lack of mutual trust can also be the cause for the fact that entrepreneur spirit is still low. However, advocacy, professional associations, lack of consent contributes to the fact that very few dare to run a business.

• We have also seen that thanks to the economic transition, the changed labor market offers a very limited number of work opportunities, especially for women. In order to compensate this, women launch small and medium sized businesses. To remediate the labor market deficiencies or to avoid the inadequate job-offers they have decided along the entrepreneurial status. Or maybe only in this way can they harmonize the work with the family and childcare. That is why micro and small enterprises are mostly owned by women (Epstein 1993), with small capital, few number of employees and the firms usually remain at this level. Only a small number of entrepreneurship can
step out from this starting position. But the youngest are interpreted as important economic agents, because are generators of workplaces even if only for themselves.

• We can convince ourselves about the human resource provisions of the area, seeing that the female entrepreneurs have higher education, are more opened and flexible, more receptive to learning and to adult training, dispose of more urban habits and lifestyle and at more points can be considered innovators (Sandu 1999b): they launch a business in an area where major distrust can be felt over against entrepreneurs and where the traditional female roles are not associated with the perceived independence and material success.

• It should be noted that this firms have their activity in a rural region, not in a consumption-oriented one. The women open a shop, provide in beauty industry etc, carry out such activities that mainly can be called market generator and customer behavior-shaping, rather than focusing on demand services. However, there are some persons who started very new things in the region. So - if not in the classic, Schumpeterian sense (Olah 2006) - these women can be viewed and called innovators (Sandu 1999b). Women often can be successful only in certain sectors, supposing that in these sectors the male entrepreneurs are less interested (eg. beauty, clothing). Only o few of them have the courage to start a business in some other areas.

• We believe that can be strongly outlined that women initiated and developed their business mostly in those areas where the family and household tasks are more compatible (eg. close to home, or the "work place" is at home: hostel, home bakery, close shops etc, or is more kind of "women work": catering, cake-service, aerobic training, private nursery schools etc.).

• However, the age did not prove to be a dividing line in the area of self-realization. It is important to all of them to "work", to work for a certain degree of self-fulfillment and of course - at some level and form – success as well. And they do all this by not neglecting the household tasks and family roles. This is true to all age categories and for all kind of entrepreneurships. So it is important, undeniable their supply to the family income, but the importance of the personal (female) individualization can be state as well. In this manner, their success floats at a more modest scale: if the firm is not in loss, they estimate it as a success, they never boast and they rarely engage to objective assessment of the financial situation of the firm. The desire to obtain profit almost never appears in the narratives. For them, the “real” success means the harmonization of the role of wife, mother with the role of the women entrepreneur.
V. Main important references


VI. Publications and Conference papers regarding to the topic

1. Publications in books


2. Publications in Conference Books


3. Other publications


4. Conference papers

**International conferences:**


**Gergely Orsolya [2010]:** Female entrepreneurship in a rural region. The case of Romania. PhD Summer School, Cordóba, Spain, 4-10. October 2010.


**National conferences:**


