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MANAGERIAL SKILLS OF WOMEN ENTREPRENEURS IN DOBRUDGEA'S RURAL AREA

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Abstract: *Women have become more important in the global market, not just as employees, but also as consumers, entrepreneurs, managers and investors. This paper aims to capture the managerial skills of women entrepreneurs in Dobrudgea's rural area and the difficulties that women entrepreneurs are facing, the gender differences and gender diversity in business, as well as their impact on the economy. By approaching this theme, we intend to highlight the problems faced by women both in terms of concepts and education by analyzing the employment rate by age, status and education level. Although women are still a minority in entrepreneurship and entrepreneurial skills and women workforce in rural areas are underused, in recent years there has been a considerable increase worldwide in the number of women who start and run their own business. Moreover, it is a general characteristic of Eastern European countries, which have the lowest levels of women's participation in entrepreneurial activities.*

Key words: *women entrepreneurs, managerial skills, rural area, Dobrudgea*

INTRODUCTION

In the last few years entrepreneurship research has focused on the growing number of women starting and running their own successful businesses, stressing the positive effects, impacts and implications of female entrepreneurship on the economy in general, and it has called for more governmental policies and political support to further encourage the involvement of women in business start-ups. Furthermore, studies demonstrated that the female leadership styles are just as effective and efficient as the male leadership style. Proof of this lies in the statistics that the number of businesses run by female entrepreneurs has globally grown in the ten years. [6]

During the Romanian communist regime, officially men and women had the same professional opportunities. However, it was not until the late 90s that women started climbing the career ladder in companies reaching key leadership positions as department managers, general managers and a few of them going even further by becoming entrepreneurs and starting their own businesses.

In the European Union (EU), even though there are more women than men, female entrepreneurs develop only a third of the self-employed activities because there are some factors (such as reconciling business and family activity) that make entrepreneurship a less attractive option for them than for men. As result, the European Commission is working with EU countries to overcome these and encourage more women start their own businesses. [10]

In this context, in which the entrepreneurship promotion and development represents one of the main directions of Europe 2020 Strategy and a solution to the recent slowdown of the economic growth in several Member States of the European Union, this strategy and set of action plans to identify the distinctive elements that characterise the managerial activity of a woman and to underline their importance on the development and growth of the economy by adopting a regional approach.

MATERIAL AND METHODS

The information and findings in this article were obtained through methods specific to scientific research. The research followed the following process and stages: identification of the researched issue, research framework delimitation, information collection, data processing, analysis and interpretation, drawing up the conclusions. The information sources used can be classified into governmental sources (statistic, ministerial and from research institutes), and non-governmental sources (independent publications). The desk research consisted of the identification of other

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studies and articles on the same subject, and in the processing of some statistical data. This was complemented with field studies in Dobrudgea's rural area. As the statistical data referring to the women's entrepreneurship and its impact upon economy, environment and human society are very few, the research results have at their basis a series of analyses – mainly qualitative – as well as a series of logical reasoning.

Dobrudgea is a Romanian historical province located between the Danube and the Black Sea, consisting of two counties from the administrative point of view: Tulcea and Constanţa. At present, the economic system specificity and the functional typology of Dobrudgea's settlements are determined by the utilization of local resources as well as by the distribution and territorial absorption of the foreign financial support for investments. [1]

As a multifunctional space, Dobrudgea has been and will continue to be mainly a human *living territory* (rural settlements) and a *social space* (resting, recreation, and conviviality/tolerance relations) for the local communities. At the same time, the Dobrudgean space is also an *economic space,* providing agricultural land and other resources as production and existence means. Although at first sight the landscape from Dobrudgea is rather dull, there are natural resources and economic objectives in the rural areas, to support the entrepreneurial environment development.

RESULTS AND DISCUSSIONS

As it results from the "Europe 2020 Strategy" the support and consolidation of entrepreneurship and innovation represent one of the most important methods of approaching the economic issues in the rural communities, materialized under the organizational-juridical form of the small and medium-sized enterprises (SMEs). [10]

The frequency, by which an economy generates new business start-ups, or in other words the increased levels of new business activities, favourably impacts the economic growth of a country or region. For the developing countries, the theoretical economic models are centered upon the idea that entrepreneurship represents the flame and accelerator of the economic growth. [4]

This idea forms the foundation of any government initiative and public policy strategy in order to encourage and develop new businesses with a long-term positive impact on the economy in general. In order to obtain a positive driving effect, and also on long term, the strategic measures must generate positive *economic and social externalities of the local business environment's development.*

The economic externalities of the local business environment development have in view:

- Putting into value the local resources (both natural and human and material capital) by the increase in number and the diversification of the activities of the functional firms;
- Higher incomes for the community through transfers generated by the system of taxes and fees;
- Higher incomes for farms through transfers under the form of wages;
- A bigger, rich and diversified supply of goods and services at community level.

The social externalities of the local business environment development have in view:

- Jobs for the local working-age population;
- Stabilization of the young population and avoiding the depopulation and demographic ageing;
- Improvement of the access of population to different goods and services;
- The inclusion of a larger part of the population in the social systems, because, as employees, they become contributors to the pension, unemployment benefit, health assistance funds;
- The diminution of the incidence of persons depending on the social transfers under the form of minimum guarranteed income, as the development of entrepreneurial initiatives gives them the opportunity to have a job.

As a result, the strategic measures for the development of a community have a direct or indirect impact upon the development of the business environment at community level, and the

theoretical and practical evidence make us state that the economic and social development perspectives of a specific area are directly dependent on the size and dynamics of entrepreneurial initiative.

The number of SMEs increased in Romania until 2008. The formation of new enterprises stalled during the recession and has yet to fully recover. Romanian businesses proved to be less resilient during the recession.

Table 1. Evolution of the number of active enterprises in the national economy, by size category

Year	Total	out of which: by size category according to the number of employees			
		0-9	10-49	50-249	250 and over
2004	410383	362457	36670	9197	2059
2005	450666	399105	40195	9391	1975
2006	480910	424865	44513	9605	1927
2007	520228	459696	48615	9988	1929
2008	555128	495038	48190	9978	1922
2009	541836	485776	45800	8609	1651
2010	491956	438421	43854	8085	1596
2011	452171	394091	47790	8640	1650
2012	472342	413803	48275	8584	1680

Source: Romania's Statistical Yearbook, 2004-2012 data series, NIS.

According to the World Economic Forum, the most problematic factors for doing business in Romania are corruption, tax rates, government bureaucracy and inefficiency, access to finance, tax regulations, inadequate infrastructure, inflation and an inadequately educated workforce. [10]

The rate of generating new business start-ups has had a positive trend due to changes in the legislation on small and medium businesses; however, the rate of business decline and bankruptcy after only one year of economic activity remains higher in the areas where the educational and skills levels of entrepreneurs and managers is lower.

In this context, however, an area in the field of private businesses has developed, in which women, who represent almost half of the employed population (Table 2), are taking more and more initiative and are more empowered. The women empowerment modality is typical for our country, as women proved that they are able to start their own businesses and to assume full responsibilities in the management of the activities specific to them. The phenomenon takes place not necessarily from the need to make proof of skills and abilities similar to those of men, but mainly out of practical, immediate reasons: the economic necessity to sustain a family by themselves or to contribute to the family budget. Very many women (or couples) have decided to be self-employed, in the conditions in which unemployment widely increased or the previous job no longer provided the necessary finance to support a family. [3]

Table 2. Evolution of the workforce, by gender, in the period 2010-2014

Year	Active population thousand persons			Employed population thousand persons			ILO* unemployment thousand persons		
	total	men	women	total	men	women	total	men	women
2010	9965	5549	4416	9240	5112	4128	725	437	288
2011	9868	5457	4411	9138	5026	4112	730	432	299
2012	9964	5546	4418	9263	5126	4137	701	420	281
2013	9977	5568	4409	9247	5128	4119	730	440	290
2014	9243	5228	4015	8614	4844	3770	629	384	245

*International Labour Office

Source: Romania's Statistical Yearbook, 2010-2014 data series, NIS.

In the Romanian countryside, the existing micro-enterprises cover a limited range of production activities and services and do not fully put into value the local resources. Most of them are oriented towards trade (approximately 70% of total micro-enterprises in the sector of services)

due to the quick recovery of investments made and a minimum necessary expertise for the organization of such activities. The processing industry accounts for only 16% of total micro-enterprises in the rural area, while the rural tourism is not developed according to the tourism demand on the domestic and world markets, facing difficulties of technical, financial and educational nature. [6]

The rural area favours the emergence of new enterprises, but it is a vulnerable entrepreneurial environment, which equally depends on external factors (local infrastructure, social, economic environment, cultural environment, traditions etc.) as well as on internal factors (the entrepreneur's capacity, skills and competence).

The promotion of the entrepreneurial initiatives in the rural area starts from the need to diversify the rural economy. In general, no rural development program can be designed without agriculture having an essential role, but the rural economy is more developed and more dynamic if it has a more diverse structure.

In this context, the *target sectors* for the consolidation of the rural entrepreneurship are: agriculture; processing of agricultural products; basic services; tourism.

The *main target groups* for the consolidation of the entrepreneurial spirit in the rural area are the following: young people; women; small farmers who own subsistence and semi-subsistence farms.

It is agreed amongst economic analysts and business start-ups specialists that being an entrepreneur is not just about starting a business and then running it. This is perhaps an oversimplified hypothesis that in order to be an entrepreneur you simply need to start and run a business. However, as many specialists around the world would argue being an entrepreneur is an art requiring identifying a business idea, evaluating if this idea is a business opportunity and if it can be achieved (requires attracting investors or simply selling the idea), and developing the idea which can be called a business only if taking into an account the dynamics of the market and the satisfaction of a set of new needs and wants clients may possess.

An enterprise, be it small or large, is essentially a business. This is defined by the European Regulation 696/93, but no strategy framework has been established, which could be applied in all EU Member States for promoting rural entrepreneurship. The local communities must identify and build the entrepreneurial strategies, according to their local values.

The challenges of rural development in Constanta and Tulcea counties, both located in the Dobrudgea region of Romania, associate entrepreneurship with economic progress, the generation of employment, reducing social inequality and improving the environmental control.

The characteristics of female entrepreneurship in Dobrudgea's rural area are similar to the national characteristics where the number of women involved in entrepreneurship is small and this area of economic activity is dominated by male entrepreneurs. As a general trend it can be noticed that women tend to be an active part in the stages leading up to a business starting up (women tend to be responsible for or involved in designing business plans, finding sources of finance etc.), however, without benefiting financially from these activities.

Research in the Dobrudgea's rural area shows that there *are no major differences between the entrepreneurial activity of men and women*; however *there is still a strong stereotypical perception that the role of a man is to focus on his career, while the role of a woman is to focus on her family.*

Although at present there are both male and females involved in leadership and entrepreneurship, it appears that men are more easily accepted in leadership and management positions. A woman in charge of a business can be easily tagged as aggressive, bossy or selfish.

The women who had the courage to start a business are supportive of the idea that *confidence in their own qualities lies at the basis of success*. This entails other qualities, which are frequently found in the women leaders, namely: determination, professionalism, flexibility, continuous professional development and passion for what they do.

In the specialty literature, it is stated that the most important managerial skills and abilities a woman entrepreneur needs are:

- *Energy* (the strength to initiate a business, to start-up a company and to run it with vigour, initiative, the ambition to succeed, responsibility and tenacity);

- *Mental abilities* (characterised by intelligence, the ability to investigate and analyse complex data, and creative thinking);

- *Expertise* (know-how and expertise in the specific area of the business, but also general marketing and management expertise);

- *Communication skills* (an essential element needed to manage a successful business; communication is a key management skill, needed to make known the result of managerial decisions and to establish a climate of understanding and trust between those who send the information and those who receive it);

- *Decisional capacity* (to allocate resources and to negotiate).

These skills and abilities can be acquired through education and/or experience and are influenced by the following factors:

- *The personal characteristics of the individual*: age, educational and qualifications, management skills and expertise, experience, motivation to get involved in entrepreneurial activities;

- *Environmental factors or socio-cultural factors*: the existence of good examples of entrepreneurship in the social circle of the individual, the fear of failure, the ability to trust and self-confidence in the individuals' own entrepreneurial skills and abilities;

- *The characteristics specific to the business*: the type of ownership (individual or partnership), the sources of finance, the path chosen to develop the business, the level of involvement in international activities, the application of the latest technology in business.

The research on the Dobrugean entrepreneurship in the rural area revealed that:

- There are no major age differences between men and women when starting a business (most of them are aged 30-40 years);

- From the perspective of education and qualifications, both men and women entrepreneurs graduated secondary school and university;

- The level of qualifications of entrepreneurs has greatly improved in the last few years and women have more work experience on the average than men when starting the business;

- The level of managerial experience of entrepreneurs and managers is still quite low; both men and women do not have much previous management experience in leadership positions or technical professions but they compensate with theoretical knowledge on management issues when starting up the business;

- Both men and women have three personal reasons to start a business: the desire to make money, the desire to improve their quality of life and the desire to control their own destiny;

- From a socio-cultural perspective, women are motivated by other successful female entrepreneurs or managers from their own circle of friends, while the male examples in the family influence male entrepreneurs; this demonstrates that entrepreneurship is learnt through informal means rather than the formal (school/university) educational system;

- Women need more time to identify a business idea as well as to start and run the actual business;

- More women than men have used bank loans to finance their business (mortgage credit); more men than women have borrowed money from other family members to start their new business;

- Very few entrepreneurs rely on financial resources from public institutions (such as grants and subsidies), and those who benefited from such public aid are men exclusively.

The main difficulties that the Dobrugean entrepreneurs are facing from the supply point of view are related to identifying and accessing a source of finance and from the demand point of view is related to the limited purchasing power of the potential Romanian clients. These add to the tough market entry barriers that also discourage the new entrepreneurs.

The impact of the commmunity development programs upon the entrepreneurship of the business environment depends on three factors:

- The valorization of the development program importance as perceived by the local leaders;
- The convergence between the business opportunities perceived by the local entrepreneurs and the local development programs;
- The active implication of the local actors in accessing the local development programs.

CONCLUSIONS

Entrepreneurship is a major factor of economic growth, innovation, competitiveness, labour employment and social integration, having been promoted at European level for quite a long time. There is a strong correlation between the entrepreneurial level and the economic development level of a country. The level of entrepreneurial activities, or better said the frequency with which new businesses are created within an economy represent a major source of incomes, of promoting entrepreneurial abilities, of innovation and job creation.

SMEs represent the backbone of the economy and are key drivers of growth, job creation and cohesion. The demographic evolution of small and medium-sized businesses has progressed in an organic way for the Romanian business private sector, relatively new and deeply challenged by the constant transformations and changes Romania has been facing for the last 25 years. In spite of the lack of experience, lack of entrepreneurial skills and know-how, Romanian entrepreneurs not only considered the option of starting their own business but jumped at the opportunity to take advantage of the new market opportunities.

The Romanian rural economy is by tradition associated to agriculture, but in reality it comprises much more types of activities (businesses). Women started to get leadership positions, to start their own businesses, while successfully managing both professional career and family life.

Research shows that both masculine and feminine leadership styles are equally efficient although there are major differences between the management styles of men and women. Men are more interested in success and money, while women are more interested in the human side of the business.

In the Romanian rural area, the scale and success of female-owned and managed businesses are growing, although at lower levels considering the roles women are expected to play in their professional and family life. The failure rate of female entrepreneurship can be explained by the lower level of aspiration, expectation and imbedded perceptions. This is a general characteristic of Eastern European rural areas, where women tend to start and manage smaller business compared to male-led and managed businesses.

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