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WOMEN'S ENTREPRENEURSHIP
IN POMERANIA
IN LIGHT OF AVAILABLE RESEARCH

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WOMEN'S ENTREPRENEURSHIP IN POMERANIA IN LIGHT OF AVAILABLE RESEARCH

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Abstract

Background. Despite the fact that research on women's entrepreneurship has been conducted for many years, still many clear answers to questions about the differences between entrepreneurs of both genders are missing.

Research aim. The differences in the methods of enterprise management are one of the rarely studied areas (Jennings and Brush, 2013). This fact, combined with the small number of studies dealing with female entrepreneurs in Poland, has been the main reason for writing the present text.

Methods. The article reports the state of art in the women entrepreneurship research as well as the research conducted in Pomerania province in Poland.

Key findings. The results of the research revealed small differences between women and men activities in the firms. The conclusions for the research and policy makers end the paper.

Keywords: women entrepreneurship, management in small business

JEL: J16, L25, L26

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INTRODUCTION

The first report on women's entrepreneurship, the aim of which was to draw attention to the barriers they may experience, was a result of an initiative of the President of the United States in 1979. It relied to a large extent on data collected since 1972 within the framework of the Survey of Business Owners (Survey of Business Owners, 2016) programme. The report revealed that statistically, women running companies were over forty years old, earned a third of what men running companies made and were owners of companies operating in the white collar in retail and service sector (United States Department of Commerce, 1979). The authors of the report were surprised by the fact that the rate of increase in the number of women's businesses was three times faster than in the case of companies run by men. Women established their companies after several years of practice in the market and their business profile was associated with such practice, as opposed to education. The female entrepreneurs were mainly college (46%, however not in the field of management) and high school graduates (22%) (United States Department of Commerce, 1979). The Polish readers of the report may be surprised by the information on financing the start-up phase of the enterprises: 31% of respondents received funds from banks or government institutions. In the Polish reality, the entrepreneurs even now, regardless of gender, cannot count on such a large share of institutional financing of the start-up stage. 65% of women applied for bank loans for further operation of their businesses, although, as the report authors point out, the banks perceived them as less creditworthy borrowers.

The report cited above and the first articles, conference presentations and books concerning the issue of women's entrepreneurship appeared only in the late 1970s and early 1980s, although the first research on entrepreneurship itself began in 1940s and 1950s, when the Harvard Business School started to publish its Explorations in Entrepreneurial History (Jones and Wadhwan, 2006) magazine. Jennings and Brush (2013) believe that there may be three reasons for this belated interest in women's issues. Firstly, women were not seen as a distinct group of business owners. Secondly, business women were rarely exposed in the media, which also resulted in lower interest of the academia. The last of the raised arguments related to the perception of entrepreneurs as a homogeneous group — regardless of gender. This argument returns nowadays, i.a. in (Ahl, 2006). Also, this list should certainly be interpreted in light of the fact that the participation of women in the economy was underestimated at that time in general.

Polish entrepreneurial reality in this period did not exist, neither for men, nor for women. The artisan businesses or so-called home-based work were not reported, and the more so no-one dealt with the entrepreneurship of women.

The history of research on women's entrepreneurship in relation to the history of research on entrepreneurship in general is shown in Figure 1.
Figure 1. The evolution of women’s entrepreneurship in world. 
Source: (Jennings and Brush, 2013)

It might be worthy to show in the presented diagram some milestones in research on women's entrepreneurship in Poland. The group of Polish researchers dealing with this issue is growing (see e.g. Horodyńska-Okoń, Kupczyk, Lisowska, Misiak, Siemieniak Wasiłczuk, Zięba).
THEORETICAL FRAMEWORK

Many reports in the literature point to the underperformance of women in business, in comparison with men. It is related to:
- lower level of engagement in entrepreneurial activity (Kelley, Singer and Herrington, 2016);
- differences in chosen strategies (Jennings and Brush, 2013);
- employee headcount and sales volume (Sabarwal and Terrell, 2008) and the size of capital (Muravyev, Talavera and Schafer, 2009).

It is worth stressing, however, that the results of the research are not unambiguous — the newest sources, citing more studies, are listed above.

Reading the reports on the differing results achieved by businesses run by male and female owners leads to questions about their causes. They can be due to various barriers faced by male and female entrepreneurs — conditioned both by family situation (the need to provide care for children/parents) and by discrimination issues. However, they may also be a result of a variety of personal choices, stemming from different expectations and goals that men and women set for themselves while establishing and running businesses. Both of the above approaches — the one based on barriers and the one suggesting a different attitude towards business activity — can be found in feminist theories. The first is embedded in liberal feminism, which is based on the assumption that men and women do not differ, but the former are discriminated against and face additional barriers. They achieve less than men because they have worse educational and professional opportunities (Fischer, Reuber and Dyke, 1993). Moreover, they are discriminated against i.a. in the credit market (Hinz, 2011), although recent studies have not confirmed this unequivocally (Calcagnini, Giombini and Lenti, 2015). The second approach is related to socialist feminism and points to differences between the sexes: both in terms of needs or experiences and in terms of competencies and values (Poggesi, Mari and De Vita, 2015). According to socialist feminism, these differences are a result of different educational and historical heritage, which makes women cope worse because of lack of confidence or faith in self-efficacy. This often results in lack of motivation to seek e.g. external financing of economic activity (Calcagnini, Giombini and Lenti, 2015). Women take different attitudes than men, which also causes the model of their companies to differ (Lee and Marvel, 2014) — they start with less capital, both financial and human, and are engaged mainly in services (European Commission, 2014). Often the motivation to start a business stems from the need to combine family responsibilities with paid employment or the lack of other opportunities in the labour market. According to the research of Entrepreneurship Global Monitor, women are largely driven by negative motives, arising out of necessity, as opposed to desire to set up a business (Kelley, Singer and Herrington, 2016). To sum up the discussion of socialist feminism, it can be said that the subsequent entrepreneurial achievements are shaped to a large extent by these founding decisions (growth, innovation, survival etc.) (Wasilczuk J.E., 2005).

Regardless of the current of feminist ideology (there are more than those listed above), one aspect relating to women's entrepreneurship is explicitly recognized: women are different than men. The methods of explaining the causes of such state and the relevant remedies is what differentiates the various currents of feminism. As part of the entrepreneurship research, socialist feminism is gaining more and more supporters, as discrimination in the modern world is less and less prevalent — although according to the Women, Business and the Law 2016: Getting to Equal report, many countries still have regulations that discriminate against women, e.g. in Poland there are three such laws (Report 2016). This puts Poland behind 18

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The author is not a specialist in the field of feminist movements, and that is why the considerations presented above are only an attempt at defining the problem, which may seem simplistic to experts in this subject.
countries where there is not even one such regulation (i.a. Hungary, Slovakia, Spain, Peru or Taiwan) and some with one or two formal restrictions for women. An easily recognizable area of discrimination, although not resulting from the legislation, is the so-called gender pay gap, which in the case of hourly wage in Europe amounts to 16.3% (in Poland only 6.4%) and in the case of total gross earnings reaches 41.1% (in Poland 29.6%) (European Commission, 2016).

The emerging picture of business situation of women points to two groups of factors that affect the potential of their enterprises. On the one hand, women choose activity that is not conducive to the development of the company and introduction of new solutions, e.g. innovations. The businesses from the service sector, operating at the owner's home and financed from savings are not predisposed for increasing the scale of activity. As a result, the consequence of the decisions made at the establishment phase is the lower potential of the enterprises. On the other hand, women often consciously resign from making development decisions. This could be due to the fear of failure or low self-esteem, but also a conflict between business objectives and personal goals. These are, however, general observations based on research in this area conducted for many years (Gawrycka, Wasilczuk and Zwiech, 2007). However, recently it can be observed that women begin to act in business like men Ahl (2002), and Wasilczuk (2015) even suggests that the differences between types of women in business are more pronounced than in the case of differences between women and men. As a result, the argument that there is no need to deal with women as a separate research group becomes more significant nowadays. And while citing the research from several years ago, indicating the differences between the genders in business, it has to be kept in mind that they are beginning to lessen.

It cannot be ruled out, however, that the management decisions are affected by the barriers perceived by women, not necessarily being of discriminatory nature, resulting only from the lack of appropriate conditions conducive to economic activity of this social group. A good example for this is the Polish problem with small number of care facilities for children and the elderly or disadvantageous conditions present in these facilities (hours of work or the amount of fees).

To sum up, a dual impact of internal and external conditions on the decisions about the company and its future operation can be demonstrated. On the one hand, it is due to the decisions related to establishment and their consequences, while on the other hand, it is related to the decisions taken already in the process of running a company (Fig. 2).
Fig. 2. Dual impact of internal and external conditions on the results achieved by women in their companies.
Source: (Wasilczuk J.E., 2015)

RESEARCH ON ENTREPRENEURS IN POMERANIA

The above analysis of literature leads to the conclusion that the picture of female entrepreneurship in the world is incomplete. The studies carried out in different countries and periods do not allow for answering many questions, related i.a. to the management of women's companies. As a result, it is no wonder that little is known of the entrepreneurial activities of women in Poland — the more so that the results of research conducted in the world cannot be directly transposed into Polish reality. It is a result of the fact that the cultural context affecting entrepreneurial activity should not be underestimated (Clay, 2008). Therefore, every opportunity to understand the functioning of businesses run by women should be availed of.

Such a chance was provided by the survey conducted in 2009 among 1005 micro-entrepreneurs from the pomorskie province. These studies were part of a larger project called *Pomorskie Obserwatorium Gospodarcze* (Pomeranian Economic Observatory), aimed at researching the functioning of Polish micro-enterprises (Dominiak, Wasilczuk, Zięba, Daszkiewicz and Sobiechowska-Ziegert, 2013). The companies selected for the research were "young" — operating in the market for no longer than two years. It was also decided that the surveyed companies should be characterized by high growth potential — therefore, sole traders without employees were excluded, as an assumption was made that such enterprises were established primarily as a workplace for their owners, and not a development-oriented business. The research method was a direct interview based on a survey questionnaire.

In 2012, the research was carried out again on the same sample of entrepreneurs, but this time the interviewers reached only 331 of them. The other business people did not agree to the second test or could not be contacted (which may also amount to the cessation of activity). The repeated study allowed for determining changes taking place in enterprises, related to i.a. employment.

In 2009, 30% of the surveyed respondents were female, while 5% of them did not provide gender.
As a research gap related to managing companies by the owners of different genders was noticed, the results were used to compare:
- the goals set by the entrepreneurs of different genders;
- the innovations introduced in the two-year period preceding the survey;
- the investments made.

Due to the ability to compare the achievements of entrepreneurs in years 2009 and 2012, related to changes in employment, the researchers checked to what extent the suggestions related to women's underperformance presented in the literature are confirmed in the Polish conditions.

The respondents were asked about their company's goal for the next two years. For 75% of all respondents, the development was the main objective of their company. The distribution of responses among men and women was precisely the same. This result is consistent with the conclusions of the research carried out by the Polish Agency for Enterprise Development, in which the development plans of women running their own companies were not significantly different from the plans of men (Balcerzak-Paradowska, 2011, p. 76). The more recent studies of entrepreneurs in Poland, conducted as part of Global Entrepreneurship Monitor, show similar aspirations for increasing employment: 81% of women and 87% of men running their companies for no longer than 3.5 years declare employment growth over the next five years (Zadura-Lichota, 2014). The difference is visible only in the case of the declared number of new jobs — women declared the creation of less than seven jobs as average, while men aimed at almost eighteen new workplaces.

The surveyed entrepreneurs were planning development, based largely on innovation — only 15.7% of respondents did not introduce any innovations in the two-year period preceding the study (related to products, production methods and organizational structure). Also in this case, the difference between men and women who were introducing innovations turned out to be small, from 1 percentage point in the case of organizational innovations to 4 percentage points in the case of product innovations and 7 percentage points in the case of production methods (Table 1).

**Table 1. Innovations in the two years preceding the survey, depending on gender.**

<table>
<thead>
<tr>
<th></th>
<th>product</th>
<th>methods of production</th>
<th>organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>66%</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td>Men</td>
<td>70%</td>
<td>55%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: own computation.

The expenses on buildings, machinery, land or means of transport incurred by the companies were analysed. It turned out that women were about 5 percentage points less active than men, although the vast majority of them incurred such expenses anyway. By far the largest differences in the incurred expenses were revealed in the case of means of transport (10 percentage points), whereas the smallest were observed in the case of land (2 percentage points) (Table 2). Men were more likely to invest in means of transport, which should not be surprising, as men buy cars more often than women and attach greater importance to them. It is difficult to find reliable data to confirm these seemingly stereotypical perceptions, however some residual data on sales of new cars can be used, showing that women account for approx. 35% of the buyers (Rybicki, 2010), and although their share is growing, it is still lower than in the case of men. In addition, women were more likely (a difference of 6 percentage points) to invest in buildings.
Table 2. The investment outlays in the two years preceding the survey, depending on gender.

<table>
<thead>
<tr>
<th></th>
<th>buildings</th>
<th>land</th>
<th>machinery</th>
<th>means of transport</th>
<th>lack of investment outlays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>23%</td>
<td>2%</td>
<td>63%</td>
<td>35%</td>
<td>20%</td>
</tr>
<tr>
<td>Men</td>
<td>17%</td>
<td>4%</td>
<td>71%</td>
<td>45%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: own computation.

Also the verification of the effects of men's and women's activity did not indicate any large differences. According to the data obtained in the study in 2009 and again in 2012, there were more growth-oriented companies run by men, by about 5 percentage points (Table 3). This difference, however, is so small that it is difficult to draw definite conclusions.

Table 3. Realized employment growth in years 2009–2012, depending on gender.

<table>
<thead>
<tr>
<th></th>
<th>dropped</th>
<th>no change</th>
<th>increased</th>
<th>no data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>57%</td>
<td>27%</td>
<td>16%</td>
<td>0%</td>
</tr>
<tr>
<td>Men</td>
<td>52%</td>
<td>26%</td>
<td>21%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: own computation.

Summing up should be emphasized that the overall picture of women and men activities, seems to be very similar. The above studies related to innovation, investments, goals and increase in number of employees, revealed only small differences.

**CONCLUSION AND DISCUSSION**

The comparative studies on the entrepreneurs of both genders have been conducted for many years. The studies described in the literature and the conclusions drawn from them, although often pointing to differences in the functioning of businesses run women and men, are often ambiguous, and the differences themselves are often exaggerated. This ambiguity also applies to the cited research results of microentrepreneurs from the pomorskie province. The differences between actions taken in companies run by women and men turned out to be small, not exceeding 2–10 percentage points. It is difficult to draw clear conclusions from differences in setting goals and achieving them or innovations and investments made. Ahl (2006) rightly notes that the interpretation of such results depends to a large extent on the attitude of the researchers. If they believe in the presence of differences, they will be highlighting even slight variations as confirming their hypotheses. Ahl called it *making a mountain out of a molehill strategy*. If, however, they are convinced of the lack of differences, they will diminish the value of such deviations. The author agrees with the latter statement, the more so that the analysis of results did not take into account the industry in which the companies operated. A breakdown of results according to industries would lead to too small a number of observations, which also would not allow for drawing clear conclusions.

Based on the author's own experience and literature studies, some suggestions related to conducting research and shaping the policy of supporting entrepreneurship can be formulated.

Suggestions for research:
1. The analysis of differences in the business behaviours of men and women should be conducted in similar companies in terms of age, size, and, above all, industry. As a result, the owner's gender will be the main factor differentiating companies. If the gender dimension is to be taken into account in research, it has to be conducted among sole traders. Conducting large-scale research among entrepreneurs in Poland is not easy. The entrepreneurs are reluctant to answer questions, especially those concerning the financial aspects of their companies (and, as the discussions with researchers from other countries
1. As shown, this problem is present not only in Poland. This should be taken into consideration when planning the study.

2. While studying and analysing the available literature, the age of the research should be taken into account. Attitudes, expectations and behaviours of both genders are increasingly converging. The characterological profile of entrepreneurs is also changing in line with new, sociologically varied generations' entering the market (Generation X, Generation Y, and soon generation Z), which will certainly influence the research of business relationships.

3. Also, studies conducted in culturally different countries cannot be freely used for comparison purposes. This applies to research on entrepreneurship, and in particular women's entrepreneurship. Various institutional conditions, both formal (barriers, support etc.) and informal — i.a. cultural — influence different behaviours of women in business. It must be remembered that the opinions functioning in everyday discourse, building the image of Polish women as heroic mothers, cannot be ruled out. This stereotype, rooted in the consciousness of Polish society and resulting from historical conditions dating back to the period of 19th century uprisings, when women were left by the men involved in the defence of Polish statehood. It can also affect the sense of self-efficacy, approach to risk or perseverance.

4. Another possibility is refraining from conducting further research on behaviours in business, because, as suggested by Ahl, who has been cited here several times already, "Differences within each sex were much larger than the average differences, if any, between the sexes". Perhaps the only thing worth testing are the external conditions related to women's being burdened with family responsibilities and the possibilities to run their own business they are provided with.

The last remark refers in part to the demands related to the bodies of national policy-makers. It is difficult to pinpoint concrete ministries, as plenty of them are responsible for creating right conditions for the activity of women. The negligible number of legal barriers discriminating against women in Poland does not mean complete equality between women and men in the context of economic activity. The women who decide to start a family are burdened with additional responsibilities that even with full equality will not eliminate the limitations they face. However, facilitating women's economic activity may be aimed at either by promoting an active, partnership-oriented family model, in which responsibilities are evenly distributed and the woman has the right to professional activity, is very desirable, although almost invisible in official activities. And/or by providing a possibility to choose a model of family by increasing the number of care facilities, so that every woman can decide whether she wants to raise her child at home or leave it at a nursery or kindergarten in order to achieve self-fulfilment also in the professional field.

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