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# Women's road to business success in the era of equal opportunities policy

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## Abstract:

In the era of equal opportunities policy, the road to business success is still more time-consuming and labour-intensive for women than it is for men. Numerous studies indicate that women are faced with specific requirements concerning the enhancement of their role in management. However, despite the existing procedural and legal solutions, women's access to leadership positions is still difficult. Analysing the situation in Poland, a change in the situation of women in the labour market after the accession to the European Union is practically imperceptible or insignificant, despite such strongly emphasised equal opportunities policy, especially in projects co-financed by the Structural Funds. The paper aims to answer the following questions: (1) what factors hinder women's entrepreneurial activity?, and (2) does the phenomenon of discrimination against women in the labour market still exist despite the strongly emphasised, especially after 2004, principle of equal opportunities? The provision of answers to thus formulated questions was preceded by an analysis of secondary sources and a CAWI study conducted on a sample of 353 randomly selected companies from Lodz representing various sectors. The respondents in the study were women-entrepreneurs or women occupying managerial/executive positions.

**Keywords:** entrepreneurial activity of women; equal opportunities policy; structural funds

**JEL codes:** L25, L26

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## 1. INTRODUCTION

In the era of equal opportunities policy, the road to business success is still more time-consuming and labour-intensive for women than it is for men. As shown by numerous studies, women are faced with specific requirements concerning the enhancement of their role in management. However, despite the existing procedural and legal solutions, women's access to leadership positions is still difficult.

Research hypotheses assumed in this article are as follows:

H1: Women's entrepreneurial activity is limited primarily by external factors.

H2: In the era of the principle of equal opportunities, there is still a phenomenon of discrimination against women-entrepreneurs.

H3: The implementation of the principle of equal opportunities in projects co-financed by the ESF and the ERDF in 2004-2013 contributed little to the improvement of the situation of women in business.

The main objective of the study was to examine the situation of women – managers and entrepreneurs – and to identify the factors of their professional success. The study was divided into two phases. In the first phase, an analysis of secondary sources – studies on the situation of women in business – was carried out, clearly indicating that women's entrepreneurial potential is not fully exploited due primarily to: (1) the existing external barriers hindering women's managerial careers; (2) a low impact of the equal opportunities policy on the improvement of the situation of women in management/business and; (3) virtually no change in the situation of women (a lack of improvement in the situation of women in management/business) as a result of the implementation in Poland since 2004 projects co-financed by the ESF and the ERDF in which the principle of equal opportunities is crucial. In the second phase, the CAWI was carried out on a sample of 353 randomly selected enterprises from Lodz representing various sectors.

In order to conduct the study, a questionnaire containing 37 questions divided into 6 thematic blocks and a personal profile form containing 11 questions encompassing socio-demographic data characterising the respondents were prepared. In addition, a scenario of individual in-depth interview containing 6 questions was developed. 21 women participated in the in-depth interviews. The material obtained from the interviews was used to develop recommendations for the activation of women aimed at starting entrepreneurial activity and to provide the description of "good practices". The paper contains the analysis related to 6 questions within the following thematic blocks: 2 - determinants of professional success; 4: barriers to managerial advancement and possible solutions, and 6: self-employment. Statements on stimulating entrepreneurial activity among young women made by the respondents during the individual interviews were used.

The respondents in the study were women-entrepreneurs or women in managerial/executive positions. The aim of the survey was to: (1) indicate stimulants and barriers to conducting business activities and management of the enterprise/organisational unit by women; (2) identify the path to professional success of women; and (3) determine the impact of the principle of equal opportunities on the situation of women in business. The study results confirmed the findings of the analysis of existing sources indicating the inhibition of women's entrepreneurial activity by the environment and its prevailing stereotypes. Attempts to improve the situation of women in business, by means of educational programmes, informational and promotional campaigns, as well as legislative solutions, etc., should therefore be continued.

## **2. FACTORS LIMITING WOMEN'S ENTREPRENEURIAL ACTIVITY IN THE LIGHT OF INTERNATIONAL AND DOMESTIC RESEARCH**

In the light of international studies, factors determining women's decision to start their own business can be divided into two groups (Jennings & Brush, 2013):

1. pull factors (independence, self-realisation, an increase in income);
2. push factors (dissatisfaction with work, flexibility and family reasons, insufficient earnings).

Regrettably, in the case of women, push factors are more likely to influence the decision about starting their own company rather than the perception of market opportunities and opportunities for personal growth (Fransson, 2011).

In many countries, women face particular difficulties in obtaining capital to operate their business activity, e.g.: by additional requirements for securing loans (Avolio Alecchi & Radović-Marković, 2012). At the same time, funding problems are more often a reason for termination of business activity than in the case of men. Moreover, women are more likely than men to feel the fear of failure in terms of founding a company. It is common in all regions of the world. In addition, women assess their skills and capabilities in business more negatively than men do. In many countries, it is harder for women to start a business due to their lack of education – the level of illiteracy is greater among women. In the group of people running their own companies, women are more likely than men to have difficulty with the development of their businesses (Kelley, Brush, Greene & Litovsky, 2012).

The situation of women in developing countries with low GDP per capita should be also noted. The following factors constitute the main barriers for women from these countries in making the decision to start their own business (Wube, 2010):

1. Difficulties in establishing and running businesses by women due to culture, religion and traditions.
2. Difficulties experienced by women in obtaining funds to run their own businesses in the form of bank loans and informal loans. Financial institutions require women to provide a higher collateral or the affiliation of loan agreements also by a man. As a result, when setting up a company, women are more likely to use savings than loans (which excludes from the market the women that do not have savings). In addition, investors are less interested in supporting companies run by women.
3. Women have less business experience than men. This is mainly due to the limited access of women to training in this field.
4. Women have fewer business contacts, they do not know how to deal with government bureaucracy and have less bargaining power, which limits their development (the problem with access to new markets due to the lack of contacts

and knowledge). Thus, they work on a smaller scale and rarely enter into network relations (which are mostly dominated by men and difficult to access by women).

5. A lack of or limited access to technology due to a lack of funds. Public places with the Internet access are not friendly to women because of the hours of work and an environment not favourable to women. Hence they do not feel at ease using modern technologies.
6. Legal and institutional barriers. Women have little access to decision-makers (experiencing problems with communication with public administration and not receiving reliable information). Legal conditions reduce the possibility of having resources or obtaining an inheritance by women.
7. Difficulties in reconciling business commitments and family obligations as well as lower mobility of women.

Moreover, in developing countries, women's entrepreneurial activity is very often a result of necessity (no other options to support their households).

The following factors prompt Polish women to run their own businesses (Balcerzak-Paradowska et al., 2011; Kupczyk, 2009):

1. striving for independence and self-reliance (to decide their own fate);
2. striving to achieve higher income and financial independence;
3. opportunity for professional development;
4. negative experiences from paid employment;
5. favourable market conditions;
6. the threat of unemployment.

Other factors – stimulants of entrepreneurial activity of Polish women – include:

1. economic factors associated with an increase in the level of wealth of the society, contributing to the development of services which constitute space for women's entrepreneurship;
2. cultural factors associated with the perception of women as entrepreneurs;
3. institutional and demographic factors, such as a fertility rate.

The barriers – de-stimulating entrepreneurial activity of Polish women – include:

1. barriers in access to financing;
2. a lack of entrepreneurial skills;
3. cultural barriers: lower self-esteem, less faith in success, a greater fear of failure, a lack of self-confidence and faith in the effectiveness of the objectives of the organisation;
4. educational barriers (a lack of information and knowledge on how to start, run and successfully develop one's own company);
5. traditional socialisation (strengthening the traditional division of social roles by gender), the difficulty of reconciling work and the role of the wife/mother;
6. institutional barriers, such as poor access to childcare.

Thus, comparing the results of analyses of national and international research on stimulants and destimulants of women's entrepreneurial activity, one can conclude that depending on the level of economic development, their decisions are guided either by pull or push factors. Hence, in developing countries with lower GDP per capita, push factors dominate and additionally there is a lack of other alternatives for women to provide the minimum subsistence level for themselves and their families. In developing countries with higher GDP per capita, one can talk about the combination of these two groups with a predominance of pull factors. In developed countries pull factors dominate.

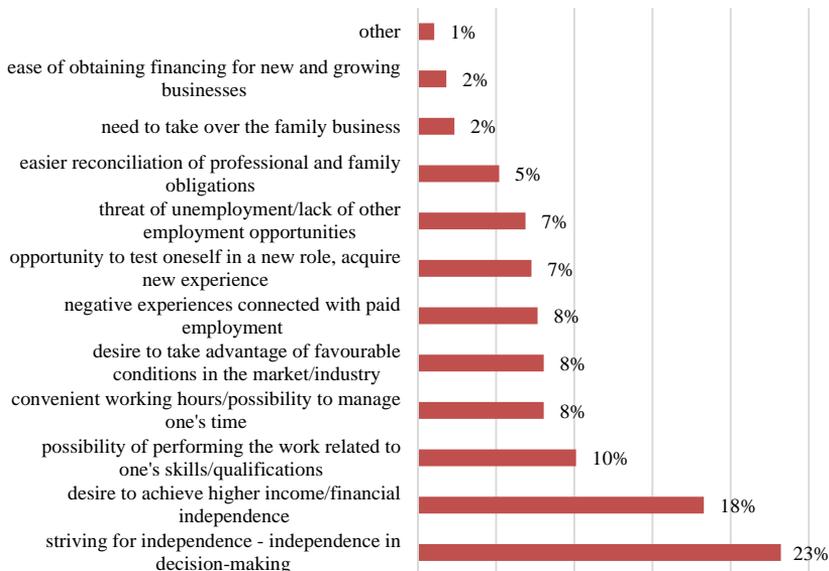
According to a study carried out in 2015 on a group of 353 respondents from Lodz<sup>1</sup>, the main determinants of setting up one's own business included: striving for independence – independence in decision-making (23% of the respondents) as well as the desire to achieve higher income/financial independence (18% of the respondents). Unfortunately, the factor associated with the ease of obtaining financing for new and growing businesses was identified by respondents as marginal (2% of the respondents) (Figure 1). Such a distribution of responses may be due to either ignorance of the available programmes for new and growing businesses (a lack of interest on the part of the respondents or a wrong method of information provision and promotion used by institutions that provide this kind of support) or complicated procedures for obtaining support for new or developing businesses run/managed by women.

The barrier to making the decision about taking up entrepreneurial activity most frequently mentioned by the respondents was the lack of self-confidence/the fear of failure (24.07% of the respondents) and the lack of their own financial resources (18.17% of the respondents). Other destimulants of women's entrepreneurship included, among others: the tax system, strong competition in the market and difficulties in finding customers. Importantly, sporadically the respondents indicated a lack of support from family as a factor that constituted a barrier to making the decision to start their own business (Figure 2).

In terms of barriers that the respondents had to overcome on the way to their present professional positions, the following held the first three positions in the ranking: difficulties in reconciling work and family life (30% of the respondents), the lack of self-confidence/the fear of taking risks (18% of the respondents) and the stereotype indicating that men are better managers (13% of the respondents). In the minority were the respondents who pointed to a reluctant attitude to motherhood on the part of their superiors (only 3% of the respondents), or the lack of support from family and the blocking of opportunities for promotion by men/women occupying senior positions (4% of the respondents) as barriers to their professional development (Figure 3).

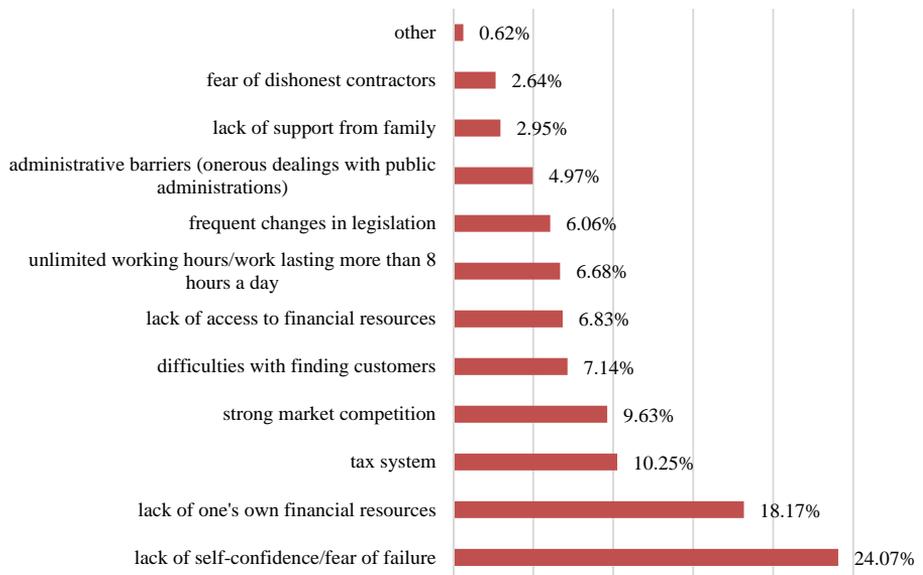
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<sup>1</sup> The study was conducted in 2015 in the framework of the project entitled "Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy" ("A woman In business. Women's success in the Łódź labour market") coordinated by the Regional Labour Office in Lodz in cooperation with the Centre of Excellence for Teacher Training and Vocational Education as well as Agency for Economic and Statistical Analysis "Anstat".



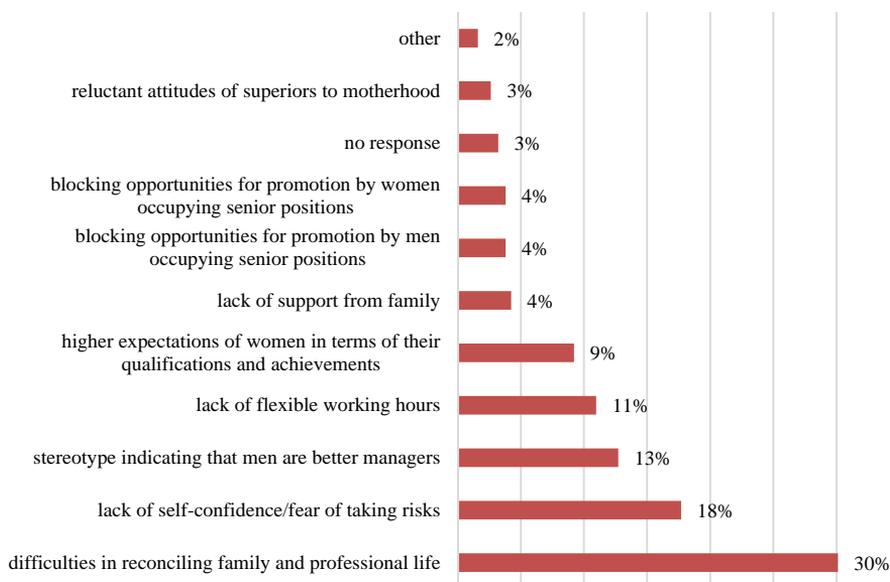
**Figure 1.** Factors encouraging women to become entrepreneurs

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).



**Figure 2.** Factors inhibiting women's decision to undertake economic activity

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).



**Figure 3.** Barriers to women's professional career

Source: own compilation based on the study carried out in the framework of the project entitled "Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy" (n=353).

### **3. THE POLICY ON THE EQUALISATION OF OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT IN THE CONTEXT OF GENDER IN THE LIGHT OF INTERNATIONAL AND NATIONAL RESEARCH**

In the framework of the policy on the equalisation of opportunities for professional development in the context of gender, there are two basic types of action taken:

1. Financial – providing funds dedicated to women.
2. Non-financial – providing various forms of support for women in the form of training, consulting, mentoring and access to international cooperation networks.

In developing countries with lower GDP per capita, reforms of financial policies and regulatory frameworks are still necessary to increase women's access to external capital and enable them to run their own economic activities.

At the European Union level, the framework strategy on gender equality is one of good practices in the policy of equalisation of opportunities for professional development in the context of gender (Kupczyk, 2009). It is a programme to promote equality between men and women by coordinating and funding of horizontal initiatives in the field of: (1) providing support for national organisations dealing with equalisation of opportunities, (2) providing equal access to training, vocational education etc., (3) increasing women's participation in the labour market through

the use of resources under the ESF for the expansion of services offering childcare and care for dependent adults.

Other good practices in the framework of the policy of equalisation of opportunities for professional development in the context of gender in the European Union can be divided into three types of initiatives (Beltran & Ursa, 2006; Kupczyk, 2009):

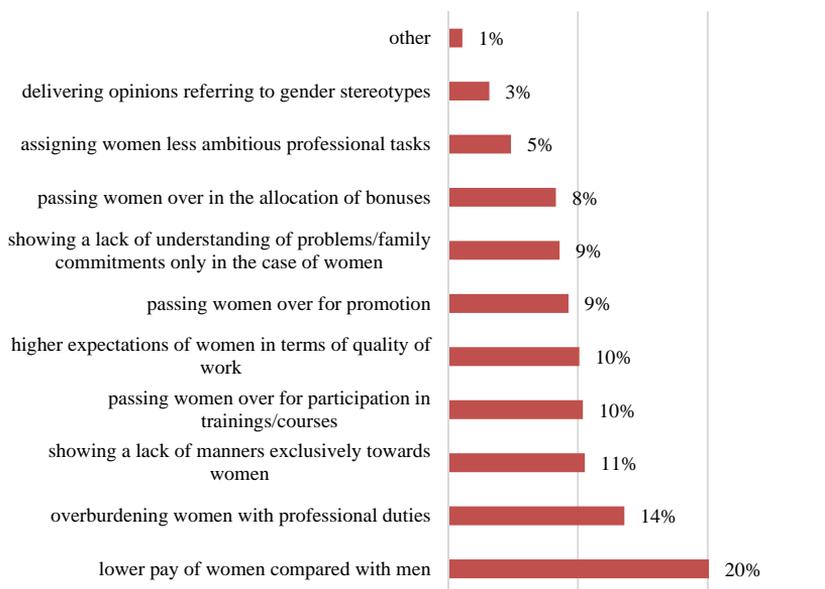
1. Legislative – regulations on the equalisation of opportunities for women in the labour market (quotas).
2. Institutional – centres/committees supporting professional activity of women and supervising the observance of the principle of equal opportunities in the labour market.
3. Information and training – integrated educational and information systems addressed to women and supporting their entrepreneurship.

The good practices indicated in the framework of the policy for the equalisation of opportunities for professional development in the context of gender are at the same time the demands listed by the surveyed Polish women who indicated the following solutions which might help in the development of entrepreneurship among women (Balcerzak-Paradowska et al., 2011):

1. Lower taxes and contributions (labour costs).
2. Increased access to capital (an effective system of obtaining assistance for the development of enterprises, expanding a network of consultation centres).
3. The development of care for young children and better access to technical infrastructure (increased employers' interest in the development of the network of care providers as well as providers of educational, recreational and sports services for children and adolescents).
4. Simplified procedures (easier and shorter).
5. A better social image of women-entrepreneurs (actions taken to change stereotypes about perceiving the roles of men and women and the development of partnership relations in the family, promoting the partnership-based model of the family).
6. The promotion of research and development.
7. Customised support for women-entrepreneurs (coaching, mentoring) and individualised school education for women (developing characteristics and forming appropriate attitudes favourable to women's entrepreneurship).

According to the study conducted, the opinions of the respondents on the manifestations of unequal treatment of women in the workplace were divided. Thus, 34% of the respondents answered that they had not heard of such cases, while 32% indicated that they had personally not experienced it but had heard of such cases from their friends. However, the analysis of the total value of the responses regarding the lack of this phenomenon or its occurrence, whether directly experienced or encountered in the environment, indicates that the majority, i.e. 60% of the respondents, have encountered personally or not manifestations of unequal treatment of women in the workplace. This was primarily manifested in lower wages of women

compared with men (20% of the respondents), voicing the views of referring to gender stereotypes (14% of the respondents) and passing women over for promotions (11% of the respondents) (Figure 4).



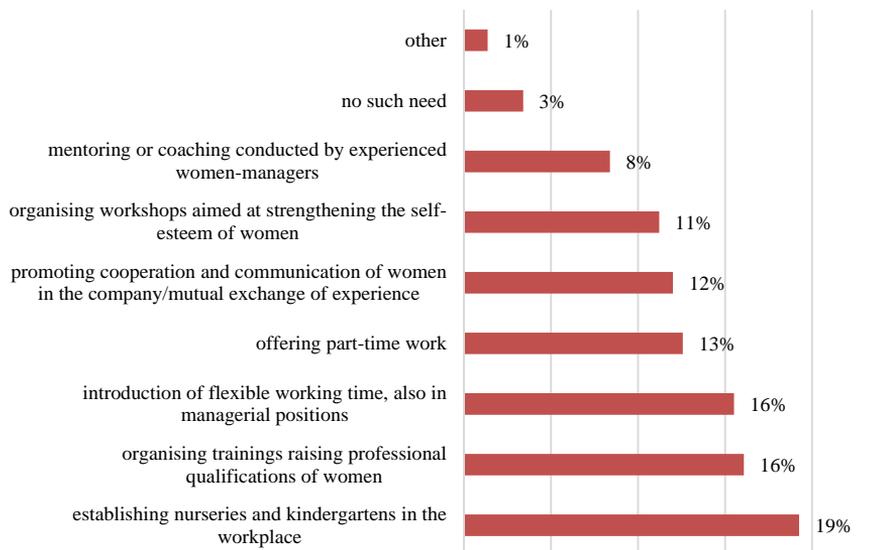
**Figure 4.** Unequal treatment of women in the workplace manifested

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).

The surveyed women also voiced their opinions on the methods of the equalisation of opportunities for professional development in the context of gender that companies and the government could introduce.

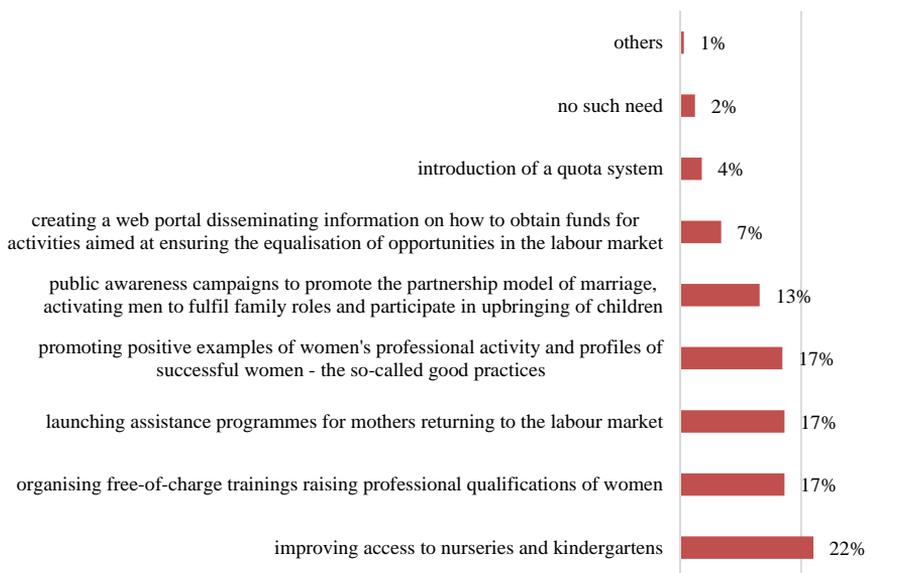
Among the demands concerning the actions that companies should take in terms of the equalisation of opportunities for professional development in the context of gender, the most frequently mentioned by the respondents was the demand regarding the establishment of nurseries and kindergartens attached to their workplace (19% of the respondents). The women surveyed deemed important also the activities related to the organisation of trainings improving vocational qualifications of women (16% of the respondents) and the introduction of flexible working hours, including managerial positions (16% of the respondents) (Figure 5).

In terms of means to support the policy of equal opportunities for professional development in Poland in the context of gender, the respondents' demands were consistent with the actions that should be taken by companies. For the surveyed women, the improvement in the access to nurseries and kindergartens (22% of the respondents) ranked first. The next positions in the ranking were occupied ex aequo by: organising free-of-charge trainings raising professional qualifications of



**Figure 5.** Means of the equalisation of opportunities for professional development in the context of gender recommended to companies

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).



**Figure 6.** Recommended solutions for the support of the equal opportunities policy for professional development in Poland in the context of gender

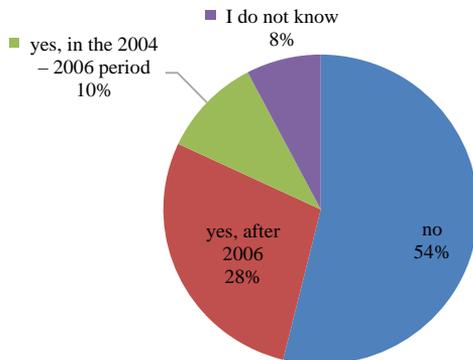
Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).

women; launching assistance programmes for mothers returning to the labour market; promoting positive examples of women's professional activity and profiles of successful women – the so-called good practices (17% of the respondents in each case) (Figure 6).

#### 4. SUPPORT IN THE FRAMEWORK OF THE EU FUNDS AND THE SITUATION OF WOMEN IN THE LABOUR MARKET

According to studies carried out at the EU level, still fewer women than men benefit from support under the Structural Funds, especially in terms of support for establishing and developing economic activities (Beltran & Ursa, 2006).

National studies indicate that women's opinions (n = 400) concerning the improvement of the situation in the context of the use of EU funds are divided. Thus, 26% of the respondents noticed a significant improvement in the situation of women in management, and another 22% said that the situation had improved only slightly. On the other hand, 25% of the respondents felt that “women continue to be discriminated against, and their access to positions is more difficult, they earn less and are promoted more slowly. Women at the medium levels of management feel most strongly discriminated against. The largest group of women who perceive some improvement in the situation are company owners/co-owners” (Kupczyk 2009, pp. 81-82).



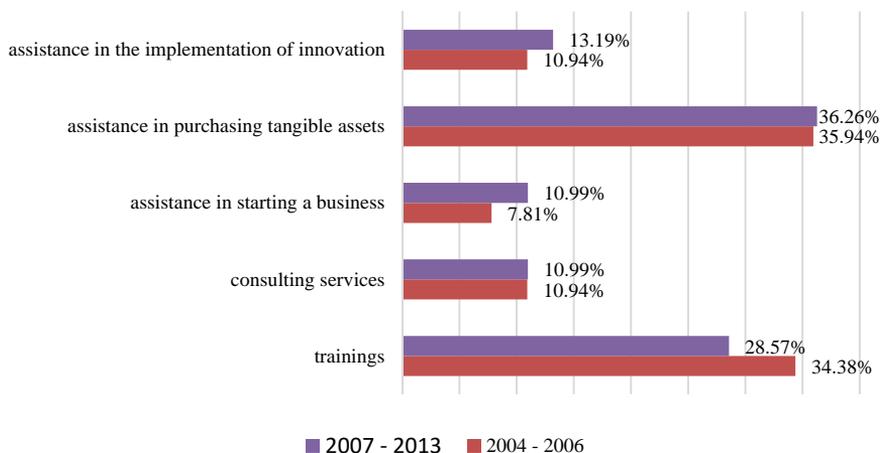
**Figure 7.** The percentage of businesses run by women benefiting from the support of the European Union funds

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).

What is disturbing in the research conducted is the fact that most of the women surveyed have not benefited from the support of the European Union funds (54% of the respondents) (Figure 7). However, compared to the first period of assistance (2004-2006, after Poland's accession to the European Union), the share of the use of the EU funds in the next programming periods (after 2006) increased (10% of the respondents declared their participation in the 2004-2006 programmes and 28%

indicated the use of that assistance after 2006). Therefore, it can be concluded that awareness of the opportunities associated with the support provided by the EU funds is increasing (this may be partly due to the appropriate promotional and informational campaign), and the ability of the respondents to use this kind of support is growing (which can be a result of appropriate training and consulting programmes).

Due to the nature of the support from which the respondents benefited, both in 2004-2006 and in 2007-2013, most of the responses were related to the assistance for the purchase of tangible assets (35.94% of the respondents and 36.26% of the respondents respectively). The women surveyed indicated training next in the ranking. In this case, the share of the respondents benefiting from this form of assistance in 2007-2013 fell compared to the first programming period 2004-2006 (from 34.38% to 28.57% of the responses). However, the share in the use of the support for the implementation of innovations increased (from 10.94% to 13.19% of the responses) (Figure 8). That result may be due to a change of emphasis in terms of the areas covered by the assistance, i.e. the transition from the support focused on basic company operations to the support for innovativeness of companies.

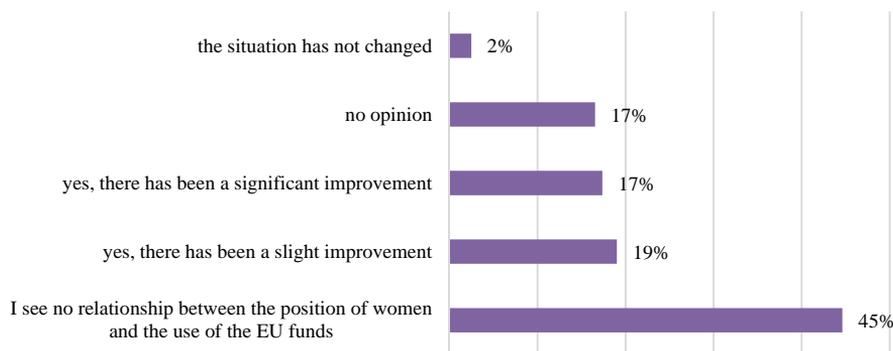


**Figure 8.** The forms of the EU support used by companies managed by women since 2004

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).

A large number of the surveyed women did not see the connection between the situation of women in the labour market and the use of the EU funds (45% of the respondents). Only 17% of the respondents indicated that there had been a significant improvement, and 19% that there had been a slight improvement in the situation of women in the labour market associated with the use of the EU funds (Figure 9). Such a distribution of the responses provided by the women surveyed can be caused, among others, by: a lack of awareness of the impact that projects

implemented may have on the situation of women, low awareness of the main objectives of the principle of equal opportunities in the context of gender and opportunities for conducting activities in accordance with the equality principle among project designers and institutions responsible for the implementation of these programmes.



**Figure 9.** Changes in the situation of women in the labour market, including management, through the use of the European Union funds available since 2004

Source: own compilation based on the study carried out in the framework of the project entitled “Kobieta w biznesie. Sukces kobiet na łódzkim rynku pracy” (n=353).

## 5. CONCLUSIONS

Analysing the results of research and reviewing national and international literature, it can be concluded that in countries/regions where the GDP per capita rises, differences regarding issues related to stimulants and destimulants of the “feminine” and “masculine” entrepreneurship become slowly blurred. Owners of MSMEs have similar hopes, expectations and concerns, face similar institutional barriers and economic fluctuations. Cultural norms that do not see women as company owners become a thing of the past and women-entrepreneurs do not signal any major concerns in terms of the challenges they face. The next generation of women is characterised by great openness to changes and willingness to take risks. Similarly to men, they perceive the personal qualities that facilitate entrepreneurship: industriousness, patience, creativity and innovativeness. Women's knowledge about entrepreneurship is equal to men's. There are also gradual changes in the family model towards the partnership-based model.

Still, however, due to the fact that the situation of equality between men and women engaged in business/managing companies/teams has not reached its “optimum” yet, it is necessary to take action to achieve it in the form of:

1. Ensuring better functioning of the existing laws – taking measures to inform and raise awareness how to implement legislation in the field of equal opportunities policy in practice (e.g.: by promoting the exchange of good practices

in the indicated area, organising appropriate training programmes and information campaigns to strengthen the role of women in management/running their own business). In order to encourage and motivate women (graduates of various types of schools) to start business activity, schools should introduce workshops/trainings (at the stage of early childhood education) which would help women overcome their own weaknesses and believe that they are able to run their own businesses in the future. Workshops and seminars on building women's confidence about their own self-worth, not lower than men's, in relation to taking on managerial roles should be organised.

2. Developing by the state in collaboration with business companies the care and educational system, as well as recreational and sports services for children and adolescents. In addition, school classes providing demonstrations (e.g.: in a form of workshops) in the area of partnership-based family planning or the division of responsibilities in order to reconcile family and professional life should be introduced.
3. Creating possibilities for shortened/flexible working time or remote work for women. Among flexible forms of work organisation, teleworking can play a significant role in professional activation of women. This is mainly due to the possibility of performing this work in the recently rapidly developing occupations related to the IT, financial, commercial, legal and human resources areas. Studies show that women are increasingly better educated and often work in the indicated areas.

In addition, due to the fact that the current 2014-2020 programming perspective (especially the Regional Operational Programmes) provides an opportunity to implement solutions that were requested by the women participating in the study (e.g.: increased access to childcare and educational infrastructure; capital for business start-ups, training and consulting services dedicated to women), all possible dissemination, training and consulting actions should be taken to fully exploit the existing opportunities (to increase the proportion of female applicants successfully applying for the assistance from the new perspective programme 2014-2020).

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