



The Support of Internal Factors in Women Entrepreneurship in Albania¹

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Abstract

Women entrepreneurship is essential for economic and social development in Albania as traditionally the role of women and girls in Albanian society has been related to the family and household. There exists a gender gap in terms of women entrepreneurship, in the last years the number of businesses owned by women has declined. The Covid-19 pandemic was not favourable for women entrepreneurs in Albania, they did not benefit from any specific support even though women entrepreneurship is among policy making priorities. Internal factors that influence women entrepreneurship are family which is related to marital status and parental obligations, motivation that can be determined by necessity and opportunity and self-efficacy that is based on a perception of the women about her own skills and abilities. This paper explores the role of internal factors on women entrepreneurship in Albania. 8 semi-structured interviews were realized with women entrepreneurs in the region of Durres and Tirana during winter 2023. Soft skills, opportunity driven motivation were among the most important internal factors. Whereas the importance of the role of family and partners is being transformed.

Keywords: women entrepreneurship, soft skills, motivation, family

1. Introduction

Women entrepreneurship is increasing even in Albania especially during the past 30 years where the country passed from a centralised economy to market economy but only 30% of the businesses in Albania are owned by women, this shows that entrepreneurship in the country remains dominated by man entrepreneurship. One phenomena that is very

¹ The semi-structured interviews of this study were realised by the students of Bachelor Degree in Business Administration and Master Degree in Business Administration at the Faculty of Business, University "Aleksander Moisiu" Durres, Bledian Celmanaj, Kristjana Pjetri, Emines Limani, Nikol Mata, Marcela Ballabani, Inelda Balla and Emiana Bisha within the framework of the project "Challenges and best practices for women empowerment through women entrepreneurship and political decision-making: case studies of the regions of Durrës and Tirana" financed by the University "Aleksander Moisiu" Durres

common in Albania is that even the business is run by women, sometimes in Albania it is registered in the name of the husband, showing that informality still remains a problem.

Women entrepreneurial activity remains concentrated in the cities of Tirana and Durres whereas there is some sporadic entrepreneurial activity even in other cities of Albania. The main sector of activity of women entrepreneurship in Albania is the service sector especially healthcare, fashion design, hospitality and consulting services. Digital services are becoming as well important. Another important sector where Albanian women have been traditionally entrepreneurs is craftsmanship. As well as even if agriculture was not traditionally considered as business sector where women could be entrepreneurs, in the last years the number of women entrepreneurs in this sector has increased especially when combined with agritourism.

Women entrepreneurs in Albania continue to face barriers especially in terms of access to finance and access to these resources as well as from a lack of strategies in terms of women entrepreneurs.

This study aims to explore the support of the internal factors in women entrepreneurship in Albania.

In the second section literature review that analysis internal factors that affect women entrepreneurship is presented. In the third section methodology is explained whereas in the fourth and fifth section are presented results and conclusions.

2. Literature Review

Entrepreneurial action and entrepreneurial behaviour in most cases is not spontaneous, entrepreneurial intention can depend on several factors. The levels of entrepreneurial activity in a country depend on factors such as culture, access to financial capital, human capital and economic development (Henley, 2005). Mazzarol et al. (1999) suggest that most of the research that focuses on factors that determine entrepreneurial activity is made in two main directions. The first direction focuses on factors that are related to external factors such as the entrepreneurship environment, culture, political system and economic growth. The other direction is related to more internal individual factors such as personal characteristics, and human capital factors. Similar to these two categories Khan et al. (2021) suggest that factors that influence women entrepreneurship can be divided in external and internal factors.

As suggested by (Scott and Bruce, 1987) the external factors can be classified focusing on entrepreneurship environment and they can be divided in macro-environment factors, meso-environment factors and micro-environment factors. The macro-environment corresponds with the broader description of entrepreneurship environment given in the above paragraph. Whereas meso-environment refers to the regional environment that influence the development of regional entrepreneurial venture, additionally other entrepreneurial factors will influence the development of entrepreneurship such as public administration bodies and infrastructure related to the entrepreneurial activity including development agencies, chambers of commerce, research and academia, financial institutions, incubators, regional clusters, entities with suppliers and competitors and specific groups of influence. The micro-environment might refer to customers, business partners, suppliers and trade unions. Further more Mathew (2010) adds to external factors that influence entrepreneurship other factors such as education, training and networking.

Internal factors that influence entrepreneurship include need of achievement, risk taking and self-confidence (Sadi & Al Ghazali, 2010). Self-confidence refers to the trust that the entrepreneur has on its own qualities. Risk-taking is the degree to which entrepreneurs want to undertake risky commitments. Need of achievement is the motivation that derives from the desire of success.

Women entrepreneurship success is defined as well by entrepreneurial orientation that is the ability of the women entrepreneur to discover and exploit entrepreneurial opportunities and is based as well on the individual risk acceptance (Shane, 2003). As well as it is concluded by Anderson & Miller (2003) human capital, education and individual experience are important factors for women entrepreneurship and women entrepreneurship performance. Benzing et al. (2008) motivational and personal goals are essential factors from women entrepreneurship success.

In women entrepreneurship family has a significant role not just on the decision of women to become an entrepreneur but more in general family has an influence in determining the career path of individuals. Individuals who have some family business are expected to follow the same path, although usually for daughters, the involvement in family business is conditioned by the socio-cultural context. In some socio-cultural contexts women are expected to prioritise other paths conditioned by the role of wife or mother (Matthews and Moser, 1996) and sons are expected to be the successors of the family business. Marital status and the marriage family is as well a factor of influence in women entrepreneurship, previous research shows that the approval of the partner plays a significant role in the approval of the decision of the women in order to start an entrepreneurial activity (Kamal et al., 2009). At the other hand in some cases

family business represents career opportunity for women who become mothers because it can allow to them to have a certain equilibrium between work and family responsibilities (Carter & Cannon, 1998). Self-employment often offers to women more flexibility. Bruni et al.(2000) consider that family as internal factor is the factor that links the concept of entrepreneurship and gender. The role that women has in the family influences as the entrepreneurial journey of women.

The motivational factors influence as well women entrepreneurship. They are usually divided into main categories necessity-driven factors and opportunity-driven factors(Hughes, 2003). Necessity-driven factors are reasons that push women to be entrepreneurs because they do not have other job opportunities or because they have family and personal constraints. Opportunity-driven factors are factors that pull women towards entrepreneurship, business opportunities allow to women to achieve their objectives and to satisfy their ambitions. In terms of motivation and entrepreneurial behaviour, internal factors that influence entrepreneurial behaviour can be divided in pull and push factors (Naffizger et al., 1994). Push factors are necessity driven factors such as unemployment, job security, inadequate family income and unhappiness with working with others. Opportunity-driven factors correspond to pull factors such as independence, teamwork, communication ability, creativity and personal development. Pull factors are supposed to be those factors that attract women entrepreneurs to become entrepreneurs. Hughes(2006) found that the main pull factor that influences women entrepreneurship is the need for self-fulfilment and independence. Among push factors the most important push factor is unemployment and economic conditions.

DeNoble et al. (1999) referred to self-efficacy as the ability of the entrepreneur to perform different tasks on entrepreneurship whereas Sweida& Richard (2013) consider that self-efficacy is the personal estimation that the individual has on cognitive and physical abilities in exercising control over situations and demands. More broadly the term of self-efficacy is based on the Social Cognitive Theory that explains how people believe in their capabilities in order to undertake actions and achieve desired outcomes. Self-efficacy is key factor for women entrepreneurship performance. Even if some scholars such as Arshad et al.(2016) conclude that self-efficacy has a more important role for male entrepreneurs rather than for women entrepreneurs.

In the context of Albania, there are not previous studies that focus on the role of the support of external factors in women entrepreneurship in Albania. Ramadani (2015) in a study of entrepreneurial success of women entrepreneurs in Albania concludes that family is an important factor for women managerial success, an emphasis is put on the marital status of women managers . As well as the main motivational factors turn to be rather pull factors such as self-achievement of autonomy. In terms of self-efficacy there is not specific study that focuses on the role of entrepreneurial skills for Albanian women entrepreneurs.

The main of this research is to explore the role of internal factors in women entrepreneurship in Albania.

The main research question is:

RQ1: How internal factors support women entrepreneurship in Albania?

3. Methodology

The research approach of this study is exploratory as there are not previous studies that explore the support of internal factors on women entrepreneurship in Albania. Consequently, the research methods employed by this study are qualitative because they are more suitable to use in order to explore the research phenomena. As data collection techniques where used 8 semi-structured interviews realised with women entrepreneurs in the regions of Durres and Tirana realised in March 2023. The semi-structured interview guide contained 11 questions focused on internal factors identified during the revision of the literature. The semi-structured interviews were recorded and transcribed, participants agreed on confidentiality and ethical principles on the use of semi-structured data.

The characteristics of the sample are described in the following table, Table 1.

Table 1: Sample Characteristics

Initials	Sector of activity	City
M.J	Hospitality	Durres
I.H	Hospitality	Durres
R.Z	Healthcare	Durres
P.Rr	E-commerce	Tirana
B.L	Agriculture	Tirana
D.D	Healthcare	Durres
-	Hospitality	Durres

Source: Authors' analysis of secondary data

The half of the sample were women that had their business activity in the hospitality sector, it is understandable as in the region of Durres this sector is the main sector of activity. There is an increasing presence of women in the sector of healthcare especially because there is an increase the interest of women for self-care in Albania. As well as in the capital city of Albania there is an increased presence of women entrepreneur in the digital sector but as well as in some traditional sector of Albanian economy such as agriculture. 70% of the sample had from 10-18 years of experience operating in their sector of activity, there were some novel entrepreneurs in the sector agriculture. One of the women entrepreneurs was an international entrepreneur in Albania. The location of the activity of the participants were the regions of Durres and Tirana because in these regions there is major economic activity of Albania.

4. Results

Thematic analysis as a qualitative data analysis techniques was employed to analyse the analysis of the data. The main themes emerged from thematic analysis in terms of internal factors that support women entrepreneurship in Albania are as it follows:

4.1 Family

Family is source of support for the majority of women entrepreneurs, for a 30% of the sample the business that they run is family business together with their husbands. In a case the family of the husband was very important in determining the initiative to start a business especially the husband of the mother-in-law. Husbands or partners provided as well moral support, inspiration and problem solving to women entrepreneurs. For 2 participants friends and the acquaintances were as well very important when they decided to start their business activity. For one participant the major support was well the team that she build. The traditional role of the family for women entrepreneurs in Albania is being transformed as women are getting more empowered within the family nucleus and within their couple. The husband support remains crucial even in the cases when women entrepreneurs do not operate in a family business. Friends and acquaintances are important ties that should not be neglected as well, this means that women do not rely just to one type of strong which is family when they start their business.

4.2 Motivation

The main motivation factors for women entrepreneurs were pull factors or the motivation of the women entrepreneurs in this study was opportunity. Participants described their motivation to start a business and the desire to bring innovation and solutions into Albanian market. As well as the other main pull factors identified were the need of self-achievement in their respective profession and field of activity especially in the sector of healthcare. Other motivation factors that were mentioned by women entrepreneurs were the desire of independence and autonomy. In terms of women empowerment participants concluded that even the environment of women entrepreneurship in Albania was most of the time hostile, entrepreneurship was a life experience for them and in some cases it was described as a self-fulfilment experience. One participant underlined that entrepreneurship does not depend much on gender.

4.3 Soft skills

Some of the skills that were mentioned by women entrepreneurs were soft skills related to emotional intelligence, self-discipline, time management, human resource management as well hard skills in terms of business internationalisation and a better knowledge of the different typology of products. Leadership was important for women entrepreneurs, they prefer to motivate their employees and to be considered as a collaborator in their team. All the participants were open to improvement and learning.

5. Conclusions

This study focused in the exploration of the support of the internal factors of Albania women entrepreneurship in the regions of Durres and Tirana. For the participant the most important internal factors were motivation and self-efficacy as well as family but its role is being transformed as Albanian women are more empowered within the family nucleus, the marital status has important role not only the cases where women entrepreneurs run a family business together with their

husband but as well husbands are among biggest supporters of women entrepreneurial activity. Motivation for women entrepreneurs was opportunity-driven, this shows a paradigm shift as in countries like Albania, necessity-driven entrepreneurship dominates. As well as the need for self-achievement, independence, self-fulfilment and autonomy were the most important motivation factors. In terms of self-efficacy most Albanian women entrepreneurs need to build capacities in their soft skills, leadership without neglecting their hard skills.

The main limits of this research is that this research relies only in qualitative data and in the region of Durres and Tirana, in the future qualitative data can be used to together with the inclusions in the sample of women from other cities in Albania.

In terms of recommendations policy-makers should tailor policies in women entrepreneurs in order to align as well in EU integration agenda.

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