„Kobieta i Biznes / Women and Business" 2016, nr 1–4, s. 49–56

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Innovativeness of women-owned businesses in the sectors of tourism and creative industries/services in the Baltic Sea countries

Introduction

Women-owned businesses play an important role in the development of entrepreneurship in the Baltic Sea region. The share of women among the total number of entrepreneurs is the highest in Lithuania and Latvia (40%), and the lowest in Sweden (26%). In Poland, it accounts for 34%, and in Estonia 28% [European Commission 2014:24]. Lithuania and Latvia are characterised by the highest share of women among entrepreneurs, while Poland has relatively the highest share of female entrepreneurs in the total number of working women. Female entrepreneurship indicator (defined as the share of female entrepreneurs[1] in the total number of employees) is 14% in Poland, 7% in Lithuania, 8% in Latvia, 5% in Estonia and 6% in Sweden [European Commission 2014:8]. In other words, the phenomenon of female entrepreneurship in Poland is the most widespread as compared to the other countries in the region.

National data on female entrepreneurship in the Baltic Sea region, presented in the study of the Baltic Development Forum, show that women usually run micro or small businesses, which most often deal with trade and services, including tourist services, in such sectors as clothing or cosmetics (services, distribution). Nevertheless, women are increasingly engaging in operations in industries defined as creative, such as advertising, design or fashion, that fit into the innovative economy [Baltic Development Forum 2011; PARP 2011]. Due to a relatively high level of education, women in the Baltic Sea countries enjoy high potential in the sphere of innovation, i.e., the creation of new technologies, products and services, or implementation of innovative processes in management or marketing.

The paper presents results of a pilot study conducted in the second half of 2015 as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region[2] in the following five countries: Estonia, Poland, Sweden, Lithuania and Latvia. The countries differ in terms of the scale of female entrepreneurship and the level of innovativeness of their economies, but also in respect of state policy for gender equality. With an index at the level of 74 points, Sweden tops the ranking of the Gender Equality Index[3], while the other countries that fall within the scope of this research have a significantly lower index: Estonia – 54, Latvia – 47, Poland – 44, Lithuania – 40 [EIGE 2013]. Sweden is also a leader in the Innovation Union Scoreboard 2014 ranking (outdoing Denmark and Finland); Estonia, Lithuania and Poland, on the other hand, have been classified to a group of moderate innovators, while Latvia – to a group of modest innovators[4]. EU experts hold an opinion that the success of Sweden (and other Scandinavian countries) in the area of innovativeness comes not only from high R&D expenditures, but also from socio-cultural factors, such as equal opportunities and focus on cooperation (so-called multilevel governance)[5].

The article aims at analysing the innovative activity of women-owned businesses in the sectors of tourism and creative industries/services in the selected Baltic Sea countries. The purpose of the analysis is to determine to what extent women-owned businesses representing both sectors are similar, and to what extent they are different, in terms of the introduced innovations. Another important element of the analysis are factors that motivate women to set up their own business and what kind of impact these factors have on innovativeness.

The issue of innovation in literature

J. Schumpeter [1934] wrote that entrepreneurship is inextricably linked to innovation. An entrepreneur is a person responsible for the process of introducing innovations. According to Schumpeter, innovation is a new combination of the factors of production, which leads to the creation of new ideas and products, the introduction of new processes, the opening of new markets or the implementation of new methods of organizing production. The approach adopted by Schempeter provided basis for the contemporary understanding and definition of innovation specified in the Oslo Manual on Innovation Research [OECD 2005].

Although the number of papers on female entrepreneurship is already significant, and the subject itself is commonly regarded as an integral part of entrepreneurship research, surveys focussing on innovation or innovativeness in a gender context is still scarce. It is also worthwhile to point out that entrepreneurship research has undergone a qualitative change: from straightforward qualitative analyses demonstrating differences and similarities between men- and women-owned businesses by means of case studies to in-depth research into the system and institutional barriers to entrepreneurship development associated with unequal distribution of household chores and traditional views on the role of women in the society [Bourne 2010].

In most cases, issues relating to innovation and innovativeness are analysed in a gender-neutral manner. This is a consequence, in the opinion of some researchers, of differences in the attitude towards the phenomenon of innovativeness. Focus in the innovation-related analyses is first of all on the process itself, i.e., on what happens in the businesses or at universities, while so-called human factor gets ignored. In other words, the subject of research are systems of innovation, their effectiveness and results, rather than the question of "who is behind it", thus contrary to the case of analyses pertaining to entrepreneurship, where the person of an entrepreneur and his or her behaviour are of key importance [Alsos, Ljunggren, Hytti 2013].

Recently, there has been observed an increased interest in gender issues in research into innovativeness. This perspective is demonstrated in the critical evaluation of the process of selecting research and development proposals, the financing of research and the provision of grants or the obtaining of patents and their commercialisation. These issues are presented in the European Union Gendered Innovation report [European Commission 2013]. On the other hand, studies on diversity management specify benefits of higher share of women in managerial positions and emphasise an important role of women for the development of scientific research, innovativeness and creative industries [Dodd 2012; Niemczewska, Mrowiec, Paterek 2007].

It is also worthwhile to bring up at this point the publications and research initiated by the Sweden's Innovation Agency VINNOVA as part of the government program that aims at increasing women's involvement in the innovative activity. This research relates to the Swedish experience and makes use of case studies. Furthermore, it draws attention to the need for redefining the concept of innovation and working out new methods to analyse this phenomenon [Danilda, Thorslund (ed.) 2011; Andersson, Berglund, Gunnarsson, Sundine (ed.) 2012].

Business environment and entrepreneurship

The macro environment impacts the shaping of entrepreneurial attitudes and motivation for starting own businesses, including in particular willingness to take risks [Grzegorzewska-Mischka 2010:195, 247-249]. It is not without reason that the World Bank publishes every year rankings of countries according to the degree to which the environment in the country is conducive to the development of entrepreneurship, as this is deemed important for assessing the chances for success in business. The Baltic Sea countries are placed relatively high in this ranking: Sweden is placed in the 8th position, Estonia in the 16th, Lithuania in the 20th, Latvia in the 22nd, and Poland in the 25th [Doing Business 2016:13]. This

means that favourable environment is created in these countries for starting one's own business. The best conditions for the development of small and medium-sized businesses are in Sweden, whereas in Poland – they are relatively the worst.

Although in Sweden the conditions for developing business are relatively the best, this is not reflected in the high share of persons who are entrepreneurs. In Poland, the situation is in the reverse – although the conditions for business are worse than in other Baltic Sea countries, the phenomenon of entrepreneurship, both among women and men, is more widespread than in other Baltic Sea countries or compared to the European average.

Table 1. Female and male entrepreneurship in the Baltic Sea countries (% of entrepreneurs in the total number of employees)

Country	Rate for men	Rate for women
Estonia	12	5
Lithuania	12	7
Latvia	13	8
Poland	23	14
Sweden	14	6
EU average-28	19	10

Source: [European Commission 2014:8].

Female entrepreneurship indicators are relatively the highest in Poland, and the lowest in Estonia and Sweden (see Table 1). In addition, the data included in the table show that male entrepreneurship indicators are higher than female entrepreneurship indicators in each of the countries surveyed. Similarly as in case of women, male entrepreneurship indicators are the highest in Poland, in other countries they are comparable (they differ less than those for women).

It can be, therefore, concluded that other factors than those taken account of in the Doing Business ranking are important for making a decision on starting one's own business. The 2014 Report of the European Commission presents the country's unemployment rate as the factor which has the most significant impact on female entrepreneurship. The authors of the report conclude that there is a strong positive correlation between the unemployment rate and the entrepreneurship indicator [European Commission 2014:80]. Another factor to have a statistically significant effect on the entrepreneurship indicator is the level of social trust: the lower the level of trust, the higher is the female entrepreneurship indicator. This means that lower level of trust urges individuals to pursue greater autonomy and control of their own lives [European Commission 2014:80].

Research results

Methodology and female respondent characteristics

The research was conducted in the second half of 2015 using an interview with a survey questionnaire method, on a sample selected in a targeted manner. In each of the five countries, women who have been running, for at least 3 years, their own business in the sector of tourism (10 persons) and the sector of creative industries/services (10 persons) were interviewed. Female respondents were selected by local business organisations and the survey questionnaires were conducted by female employees of higher education institutions or business organisations. The total number of interviews obtained was 102: twenty from each of the following countries: Sweden, Estonia and Lithuania, twenty one from Poland as well as from Latvia.

For the purpose of this research, businesses operating in the area of: catering, recreation and entertainment (tourist agencies; tourist services), accommodation (hotels and agro-tourism farms) and tourist transport were classified as falling within the tourism sector. The sector of creative industries/services was broadly defined – as "creative activity" (*creative industries* [UNCTAD 2010:7], *cultural industries* [Hesmondhalgh 2002:11-12], *creative economy* [Howkins 2001:8]). In the study, this sector was represented by businesses that operate in the area of IT, art and business, i.e.: software and computer services; film, television and video production; computer games; music; visual arts; advertising; architecture; design; engineering.

Women who took part in the research in individual countries most frequently had higher education, with the exception of Sweden, where the number of women with secondary and post-secondary education was higher than the number of women with higher education. Surveyed women were of different ages: the youngest ones (aged up to 34 years) accounted for 23%; those aged 35-44 years – for 27%; aged 45-54 years – for 30%, and the oldest ones (55 years of age and older) – for 20%. Most of the

Table 2. Surveyed women and their businesses by countries (in numbers)

Specification	Estonia	Lithuania	Latvia	Poland	Sweden	In total
The total number of respondents	20	20	21	21	20	102
By level of education						
Post-secondary, secondary or lower	8	1	2	2	15	28
Higher education	12	19	19	19	5	74
By age in years						
Up to 34	1	7	8	4	3	23
35-44	5	4	7	7	5	28
45-54	12	6	4	3	6	31
55 and older	2	3	2	7	6	20
By size of business						
Micro (up to 10 employees)	18	15	10	16	18	77
Small (10-49 employees)	2	4	10	4	2	22
Medium (50-249 employees)	0	1	1	1	0	3
By source of capital needed to start a business						
Own resources	12	16	16	15	13	72
Bank loan	0	1	2	1	6	10
European Social Fund	0	1	1	3	0	5
Other	8	2	2	2	1	15

Source: results of 2015 research conducted as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region.

female respondents were owners of micro (with up to 10 employees) or small (10-49 employees) businesses, which were set up from scratch (only two in Sweden and two in Lithuania were created through inheritance or acquisition/division of a private company) and mostly financed from own resources (see Table 2).

Women's motivations to start up their own business

One of the questions included in the survey questionnaire enumerates statements pertaining to what women may regard as a source of motivation for becoming self-employed. This approach refers to the content theories that explain what motivates people to work and focus on the factors that trigger off human action [Pocztowski 2008:204]. The content theories indicate the needs that control human behaviour, among other things, the need for existence, relatedness, growth (Alderfer's theory) or the need for achievement, power and affiliation (McClelland's theory) [Gibson, Ivancevich, Donnelly 1988:127; Pocztowski 2008:205]. From among many definitions of motivation formulated in psychology, it is assumed for the purpose of this research that motivation is something that stimulates and encourages to take action [Stevenson 2002:2] and is triggered off by the above-mentioned needs.

Regardless of the country, female business owners most often indicated the following sources of motivation to become self-employed: the desire to be independent in making decisions and setting goals in life, the desire to achieve high earnings, as well as support received from a husband/partner. It is worthwhile to emphasise that 1/3 of all women surveyed indicated such reasons as lack of promotion opportunities in paid employment (glass ceiling), and every fifth woman – lack of other employment opportunities (see Table 3).

It can be concluded, based on the research results, that the main factors motivating women to become self-employed include individual characteristics, as well as the desire to use their own potential in a better way than in case of a typical employment relationship, which sometimes provides no opportunities for promotion or higher earnings. Those are pull factors because they attract to business [Lisowska 2001:72-73; Grzegorzewska-Mischka 2010:52-53]. Support received from a husband or partner, important in case of women owing to a stereotypical belief that women are less predisposed to entrepreneurship, can also be considered a pull factor. The avail-

Table 3. Surveyed women by answers to the question about reasons that they found important while making a decision concerning their own business (number of „definitely yes" and „rather yes" answers)

Reasons	Estonia	Lithuania	Latvia	Poland	Sweden	In total (%) (N = 102)
Lack of other employment opportunities	2	6	2	2	7	18.6
Staying unemployed for too long	0	0	1	1	1	2.9
Lack of opportunities for returning to work after childbirth	2	1	1	1	0	4.9
Lack of opportunities for promotion in paid employment (glass ceiling)	7	7	9	5	6	33.3
Opportunity to obtain EU funding	4	1	5	6	0	15.7
Courses and training conducted by local employment offices	4	0	2	2	4	11.8
Support received from a husband/partner	15	7	16	9	16	61.8
Desire to be independent in making decisions and setting goals in life	20	20	21	20	18	97.1
Desire to achieve high earnings	16	17	7	17	12	67.7

Source: results of the 2015 research conducted as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region.

ability of funds for starting own business and institutional support (training and subsidies offered by local employment offices, easy access to care institutions) are other pull factors which attract women to start their own business. On the other side of the coin are push factors, such as unemployment and difficulty finding a job, pressure from employers to register one's own business, lack of opportunities for promotion in paid employment or succession.

Pull factors are relatively more often indicated than the push factors, which means that women made a decision on starting their own business of their own choice rather than out of necessity. Potential conclusions that can be drawn on the basis of other research [Lisowska 2001; Hughes 2003; Orhan 2005] are that women and men are motivated to start their own business by similar reasons, thus a dominant role is played by factors that attract to business; however, in case of women, more often than in case of men, own business is conducted out of necessity.

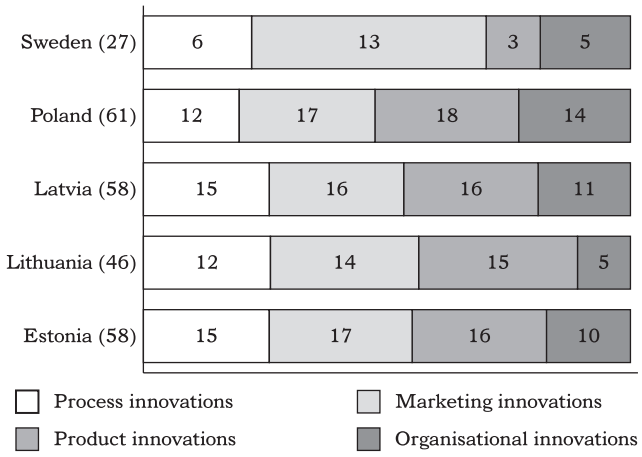
Reasons associated with starting one's own business may have an impact on innovativeness. If a decision to start one's own business is a result of a desire to be independent and earn a high income and a result of a sense that one is ready to take risks, it can be expected that taking innovative action will become a driving force behind the development of the business. In other words, businesses set up by choice will be more innovative than those set up out of necessity.

Implemented innovations and their types

One of the key objectives of this research is to identify the extent to which women-owned businesses are innovative and whether it is possible to observe any differences between the countries and between the sectors that it focuses on. A broad definition of innovation has been adopted, i.e., every new and qualitatively different action or solution that allows to better satisfy the needs of the customers, both the existing and the new ones [Drucker 1992:42-44; Dobiegała-Korona 2003:284]. Therefore, it is assumed that innovation is not only the launch of a new product/service or implementation of a new process but also an improvement in the area of marketing or human resources management.

Female owners from each of the countries surveyed declared that they introduced some innovative solutions in the period 2011-2014. Relatively, the largest number of innovations was introduced by women from Poland, and relatively the smallest – which is surprising and makes you ask why – by women from Sweden. In case of Sweden, these were mostly marketing innovations, in Poland, on the other hand – product and marketing innovations, and in the other countries – both marketing innovations, as well as the product and process ones. Organisational innovations were comparatively the least common (see Figure 1).

Figure 1. The businesses surveyed by the number and type of innovations implemented in the years 2011-2014

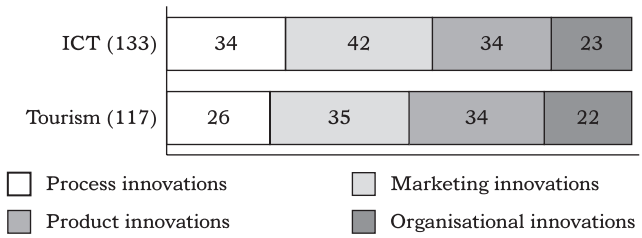


Source: results of the 2015 research conducted as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region.

Overall, businesses from the sector of creative industries/services implemented more innovations than those from the tourism sector. In both sectors, the most popular were marketing innovations, however, a smaller number of these innovations was implemented in the tourism sector than in the sector of creative industries/services, similarly as in case of process innovations (Figure 2).

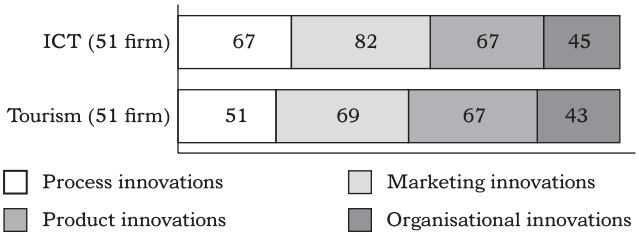
Figure 3 shows the percentage of businesses by sector and type of implemented innovations. Businesses from the sector of creative industries or ser vices, which implemented marketing innovations, account for the highest share of 82% (almost all of the businesses surveyed). The share of businesses from this sector that have implemented the process and product innovations is also high (67% each). In case of the tourism sector, the highest share have

Figure 2. Number of implemented innovations by type and sector



Source: results of the 2015 research conducted as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region.

Figure 3. Percentage of businesses by sector and type of innovation



Source: results of the 2015 research conducted as part of the project Gender, Innovation and Sustainable Development in the Baltic Sea Region.

businesses which implemented marketing innovations (69%), and then those which implemented product innovations (67%).

The results confirm that businesses from the sector of creative industries/services are more innovative than tourist businesses. What is more, businesses from this sector are characterised by greater share not only of marketing, but also of process and product innovations.

Conclusions

The issue of innovativeness of women-owned businesses in the Baltic Sea countries have not as yet been the subject of empirical research, thus the results presented are of a ground-breaking character. As part of the international project Gender, Innovation and Sustainable Development in the Baltic Sea Region (2014-2016), pilot research was conducted in Estonia, Poland, Sweden, Lithuania and Latvia among female owners of micro, small- and medium-sized businesses operating in the market for 3 or more years in the sector of tourism and creative industries or services. Recruitment of women for research purposes was conducted in a targeted manner and the obtained results allow to draw preliminary conclusions and pose questions to be answered by further research.

The Doing Business reports of the World Bank show that the best conditions for business development from among the countries surveyed are in Sweden. Nevertheless, female (as well as male) entrepreneurship indicators are much lower in this country than in Poland. Where does it stem from? Is it caused, in case of women, by low unemployment rates and easy access to paid employment? Do cultural factors have an impact on the phenomenon of female entrepreneurship? Is the phenomenon of

female entrepreneurship at the lower level in the countries characterised by the "female" culture [Hofstede 2007:133] than in the countries characterised by the "male" culture?

Main factors that motivate women in the Baltic Sea countries to become self-employed are: the desire to be independent in making decisions and aspirations for higher earnings, as well as support received from a husband/partner. These are pull factors that attract to business. Such factors as difficulty in finding a job or returning to the labour market after a longer childcare break, or such barriers as the glass ceiling were clearly declared less frequently. Do pull factors that attract to business have a positive impact on innovativeness, while the push factors a negative one? Do businesses set up by women out of necessity (lack of other employment opportunities) are less innovative than those set up by choice?

The data obtained show that over the period of three years before this research was conducted, each of the businesses had introduced some innovations (taken broadly, thus not only as a product/service launch or an introduction of a new process, but also as any product or process improvement or improvement of the marketing or organisational activities). Businesses from the sector of creative industries/services implemented more innovations than those from the tourism sector. In both sectors, these were mainly marketing innovations, followed by process and product innovations, while organisational innovations were among the least often introduced ones. Are businesses from the tourism sector statistically less innovative than businesses from the sector of creative industries/services?

Data presented in this study constitute a contribution to and encouragement for further research. The results obtained allow to formulate several research questions/hypotheses pertaining to the differences observed in the innovativeness of women-owned businesses in the Baltic Sea countries and factors having an impact thereon. Because of the character of the discussed research and small size of the sample, the formulated questions/hypotheses remain unanswered at this stage. It is, therefore, advisable to conduct research that would be based on a larger samples of female business owners with a view to validating the conclusions and answering the formulated research questions. For the purpose of comparison, a sample of men should be also included within the scope of research.

[1] The data presented relate to women who have a registered business: are either self-employed individuals or employers. Phrases such as „female entrepreneurs" and „entrepreneurs" are used interchangeably with „persons acting on their own account" or „persons running their own business".

[2] The project Gender, Innovation and Sustainable Development in the Baltic Sea Region (2014-2016) focussed on the use of innovative potential of women from the perspective of the labour market and entrepreneurship in the context of the impact on sustainable development of the region. It was implemented by the international research centre WINNET Centre of Excellence (having its seat at the University of Szczecin) in cooperation with the Swedish organisation WINNET, the International Women's Forum at the Warsaw School of Economics (SGH) and research centres in the countries of the Baltic Sea Region (www.balticsearegion.org/web/). The project is funded by the Swedish Institute (Stockholm).

[3] The maximum value that the equality index (GEI) may reach is 100 points; http://eige.europa.eu/gender-statistics/gender-equality-index (access: 20.06.2016).

[4] http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards/files/ius-2015_en.pdf (access: 20.06.2016).

[5] http://europedirect-szczecin.eu/index.php/42-newsletter/marzec-2015-1-14-2015/697-szwecja-liderem-innowacyjnosci-w-regionie-morza-baltyckiego (access: 20.06.2016).

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