

Gender Differences in Entrepreneurial Behavior in the South of Albania

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Abstract

This research explores "Gender Differences in Entrepreneurial Behavior in the South of Albania," delving into the distinctive experiences and challenges faced by male and female entrepreneurs in this region. Employing a mixed-methods approach, the study integrates both quantitative surveys and qualitative interviews with 200 entrepreneurs, equally divided between genders. The research aims to uncover how gender influences entrepreneurial motivations, strategies, and challenges, with a particular focus on the role of social networks, cognitive biases, and environmental factors. Key findings reveal that female entrepreneurs significantly rely more on social networks for business support and face unique gender-specific challenges, primarily in balancing business and familial responsibilities. Both male and female entrepreneurs acknowledge the influence of cognitive biases on decision-making processes, with women being more likely to cite specific instances. Environmental factors are found to affect both genders similarly, highlighting external challenges in the entrepreneurial environment. The study contributes to a deeper understanding of the gender dynamics within the entrepreneurial ecosystem of South Albania. It provides insights into the distinct challenges and opportunities faced by male and female entrepreneurs, emphasizing the need for gender-sensitive policies and support mechanisms.

Keywords: *Entrepreneurship, Gender Differences, Social Networks, South Albania, Cognitive Biases.*

1. Introduction

Background and Rationale

Entrepreneurship is a vital driver of economic growth and innovation, particularly in developing regions like South Albania. This area, characterized by unique cultural and economic dynamics, presents fertile ground for exploring entrepreneurial activities. However, there is a notable gap in understanding how gender influences entrepreneurial behavior in this specific context. Globally, gender disparities in entrepreneurship have been widely acknowledged, often linked to differences in access to resources, societal norms, and business networks. In South Albania, these factors might be uniquely interwoven with local customs and economic conditions. Understanding these gender

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differences is crucial not only for academic enrichment but also for informing policies and programs that support equitable entrepreneurial opportunities. This research aims to fill this gap by specifically examining how gender affects entrepreneurial behavior in South Albania, considering the roles of social networks, cognitive biases, and environmental factors. Such an inquiry is essential for fostering a more inclusive and robust entrepreneurial ecosystem in the region.

Research Objectives and Questions

In the landscape of South Albania, a region marked by its distinct cultural and economic identity, the realm of entrepreneurship stands as a critical component for development and innovation. However, the influence of gender on entrepreneurial pursuits remains a significantly underexplored area in this context. This research seeks to shed light on this pivotal aspect, delving into the ways in which gender shapes entrepreneurial behavior within South Albania.

Objectives:

- O.1. To investigate how gender influences entrepreneurial behavior in South Albania.
- O.2. To analyze the role of social networks in shaping entrepreneurial opportunities for different genders.
- O.3. To examine the impact of cognitive biases on the entrepreneurial decision-making process among men and women.
- O.4. To explore environmental factors affecting entrepreneurship and how they vary by gender in South Albania.

Research Questions:

- R.Q.1. How do gender roles and stereotypes influence entrepreneurial behavior in South Albania?
- R.Q.2. In what ways do social networks contribute to or hinder entrepreneurial activities among different genders?
- R.Q.3. Is there gender-specific cognitive biases that affect entrepreneurial decision-making in South Albania?
- R.Q.4. How do environmental factors, such as economic conditions and regional policies, impact entrepreneurship differently for men and women in this region?

Significance of the Study

This research holds substantial significance in several key areas:

Economic Development: By understanding gender-specific challenges and opportunities in entrepreneurship, the study can inform strategies that stimulate economic growth in South Albania.

Policy Formulation: Findings will provide empirical evidence to guide policymakers in creating more gender-inclusive entrepreneurial policies.

Academic Contribution: This study contributes to the literature on gender and entrepreneurship, particularly within the unique context of South Albania, a region relatively underrepresented in current research.

Social Impact: Insights from this research could lead to greater social empowerment and equity, addressing gender disparities in the entrepreneurial landscape.

Practical Implications: For practitioners and entrepreneurs, this study offers valuable knowledge about navigating the entrepreneurial ecosystem in South Albania, considering gender dynamics.

2. Literature Review

2.1 Overview of Entrepreneurship in Albania

Albania has undergone a significant transformation from one of the poorest countries in Europe to an upper-middle-income country. With a population of 2.8 million and a GDP per capita of \$6,743, the country has been focusing on implementing structural reforms to support equitable growth, improve productivity and competitiveness, and create more jobs. These efforts include enhancing regional connectivity and diversifying markets, with special attention on tourism, agriculture, and digitization. Despite challenges such as the 2019 earthquake, the COVID-19 pandemic, and price crises, Albania experienced a growth of 4.8% in 2022, driven by private consumption, exports, and investment. However, it was expected that economic activity would moderate in 2023, with poverty continuing to decline as employment and wages rose. The country's medium-term prospects hinge on global recovery, structural reforms, and fiscal consolidation (World Bank, 2023).

The entrepreneurial ecosystem in Albania, particularly in the capital, Tirana, has shown signs of growth and activity in recent months. This includes the emergence of vibrant startup hubs, startup-related events, and government initiatives. There are challenges, such as limited budget and focus on entrepreneurship and innovation promotion by the government, and little cooperation among actors of the triple helix (universities, businesses, and government). Most entrepreneurship activities are concentrated in Tirana, with regional efforts focusing on traditional entrepreneurship in sectors like tourism and agriculture. However, recent government efforts, like the "Startup Law" and support programs, are promising indicators of an accelerated growth of the local entrepreneurial ecosystem (Swiss Entrepreneurship Program, 2023).

Despite these positive developments, female entrepreneurs in Albania face several challenges. Women entrepreneurs often pay higher interest rates on loans and face discrimination from investors and lenders, limiting their access to financing. They also struggle with balancing personal and professional life, particularly if they have caregiving responsibilities. Women in rural areas have limited access to credit and subsidy schemes due to requirements that they often cannot meet. However, there have been initiatives to support women entrepreneurs, including financing by the European Bank for Reconstruction and Development and programs developed by the German Agency for International Cooperation and the Women Founders Network in Albania. These efforts are aimed at supporting women's economic and social empowerment and driving improved stability, social, and economic growth (ESThinkTank, 2023).

While Albania is making strides in enhancing its entrepreneurial ecosystem, particularly in urban centers like Tirana, significant challenges remain, especially for female entrepreneurs. Addressing these challenges is crucial for ensuring a more inclusive and robust entrepreneurial environment in the country.

2.2 Gender in Entrepreneurship: Global and Local Perspectives

Globally, women's entrepreneurship is crucial for economic growth and development. The GEM 2021/22 Women's Entrepreneurship Report reveals significant insights into gender differences across various stages of the entrepreneurial lifecycle. This includes startup activities, established businesses, and business exits. The report also highlights how women have been impacted by COVID-19, both positively and negatively, and examines structural inequalities in women's participation in high-potential startups. It emphasizes the importance of creating an enabling environment to address these gender differences in entrepreneurial activity.

This global perspective is essential for understanding the local context in Albania, where women entrepreneurs face unique challenges such as higher interest rates on loans, lack of awareness about financing options, and difficulty in balancing personal and

professional responsibilities. Despite these challenges, initiatives by organizations like the EBRD, GIZ, and the Albanian government show a growing support system for women entrepreneurs in the region.

2.3 The Role of Social Networks, Cognitive Biases, and Environmental Factors

a) **Social Networks in Entrepreneurship:** Social networks significantly influence entrepreneurship, impacting aspects like entrepreneurial intention and resource acquisition. They offer vital emotional and practical support, particularly during crises. However, their impact varies, with some studies showing positive associations in entrepreneurial ventures, while others find no correlation during economic downturns. Gender differences also play a role in how social networks affect entrepreneurial intentions, highlighting the need for gender considerations in entrepreneurial studies and strategies.

b) **Environmental Factors and Sustainable Entrepreneurship:** Environmental factors, particularly regulations, have a profound effect on sustainable entrepreneurship. Research focusing on China's new energy sector from 2011 to 2021 found an inverted U-shaped relationship between incentive environmental regulation and entrepreneurial performance, as well as a positive relationship with command environmental regulations. The study also observed that dynamic capabilities like absorptive and innovative capabilities can moderate these relationships, suggesting the importance of adapting strategies to local policies and resources.

c) **Environmental Regulations and Entrepreneurial Performance:** The impact of environmental regulations on sustainable entrepreneurship is significant, as indicated by research in the Chinese new energy industry. This study reveals an intricate relationship where incentive environmental regulations and command environmental regulations differently influence entrepreneurial performance. The dynamic capabilities of enterprises, such as absorptive and innovative capabilities, play a role in moderating these effects, emphasizing the need for tailoring environmental regulations and entrepreneurial strategies to local conditions and resources.

3. Theoretical Framework

3.1 Gender Theories and Entrepreneurship

In the field of entrepreneurship, gender theories play a crucial role in understanding the dynamics between gender and entrepreneurial ventures. The study titled "Viewing entrepreneurship through a goal congruity lens: The roles of dominance and communal goal orientations in women's and men's venture interests" by Folberg et al., employs goal congruity theory as a framework to explore the variance in venture interests between genders. This research delves into how dominance and communal goal orientations differentially influence entrepreneurial interests among women and men. This theory posits that people adopt gender-stereotypic goal orientations in response to social pressures to conform to traditional gender roles. The research suggests that perceptions of entrepreneurship as inherently masculine may be driven more by dominance than other types of agentic traits. It was found that gender differences in self- and group-stereotypes most consistently emerged in communion and dominance, especially among individuals who viewed their gender identity as more salient (Folberg et al, 2023).

Another perspective is offered by Marlow (2020), who reflects upon how feminist theory might be used to advance the contemporary gendered critique of women's entrepreneurship. This paper challenges the discriminatory discourse of entrepreneurship that fundamentally disadvantages women and suggests that greater attention should be afforded to feminist theories. These theories provide explanatory analyses for such

subordination and challenge contemporary postfeminist ideas, which fuel a false promise of entrepreneurship for women (Marlow, 2020).

4. Methodology

4.1 Research Design:

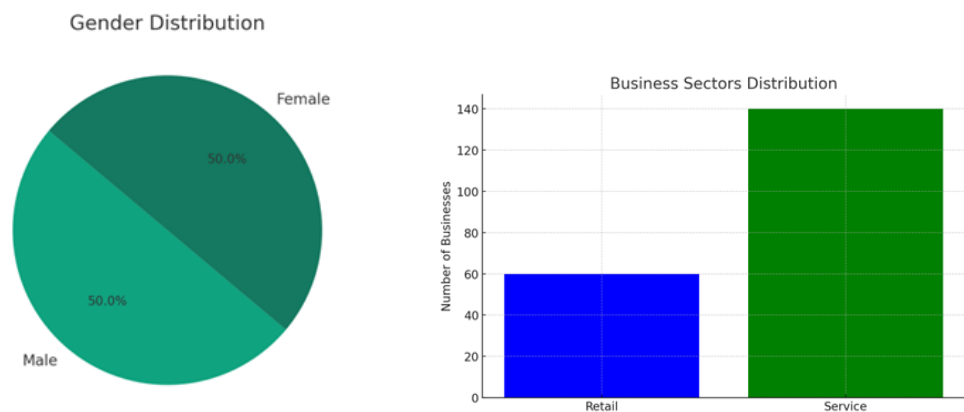
This research was structured as a mixed-methods research design, integrating both quantitative and qualitative approaches. The study focused on a sample of 200 entrepreneurs, with an equal representation of 100 male and 100 female entrepreneurs.

Quantitative Component:

Sampling: The study targeted entrepreneurs from various industries in South Albania. Stratified sampling was employed, ensuring equal representation of genders. However, recruiting female entrepreneurs presented challenges due to their lower representation in the entrepreneurial sector in South Albania, reflecting broader societal and economic factors.

Data Collection: A structured online survey was used, comprising questions designed to capture data on entrepreneurial activities, challenges, motivations, and perceptions.

Data Analysis: Statistical analysis was conducted using software like SPSS. Descriptive statistics provided an overview of the sample, while inferential statistics were used to examine gender differences and relationships in entrepreneurial behavior.



Qualitative Component:

Sampling: From the survey respondents, 20 entrepreneurs (10 male and 10 female) were selected for in-depth interviews. The lower number of female interviewees was reflective of the difficulty in finding female entrepreneurs willing to participate, which in itself provided insight into the gender dynamics within the entrepreneurial ecosystem.

Data Collection; Semi-structured interviews were conducted, focusing on personal experiences and perceptions related to gender in entrepreneurship.

Data Analysis: Interviews were transcribed and analyzed through thematic analysis, identifying patterns and themes related to gender differences in entrepreneurship.

Triangulation and Integration:

The study integrated findings from both quantitative and qualitative components. This approach ensured a comprehensive understanding of the gender dynamics in entrepreneurship in South Albania.

4.4 Ethical Considerations

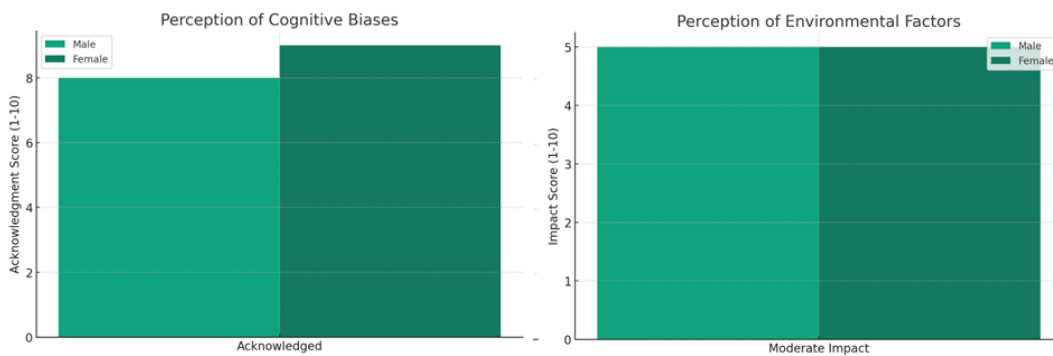
Ethical standards were strictly adhered to, with informed consent obtained from all participants. Confidentiality and anonymity were maintained throughout the research process.

5. Results

5.1 Quantitative Findings

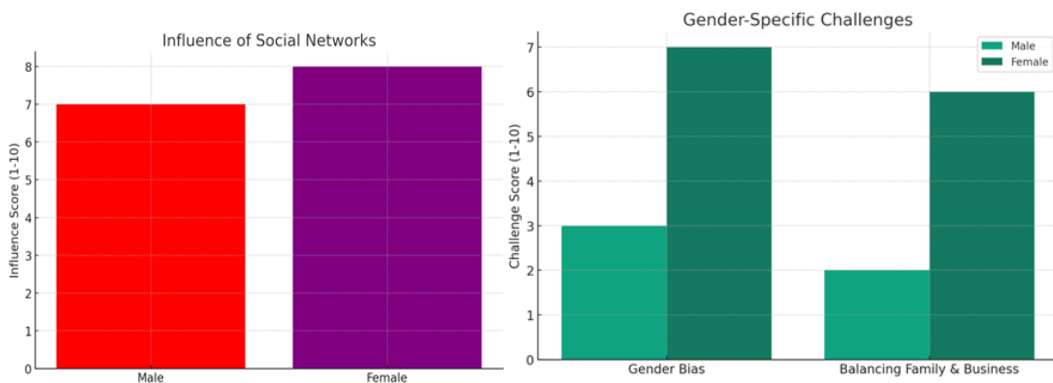
Demographics and Business Characteristics: The survey revealed a balanced gender representation with 100 male and 100 female entrepreneurs, primarily aged between 30-50 years. Most businesses were in the retail and service sectors.

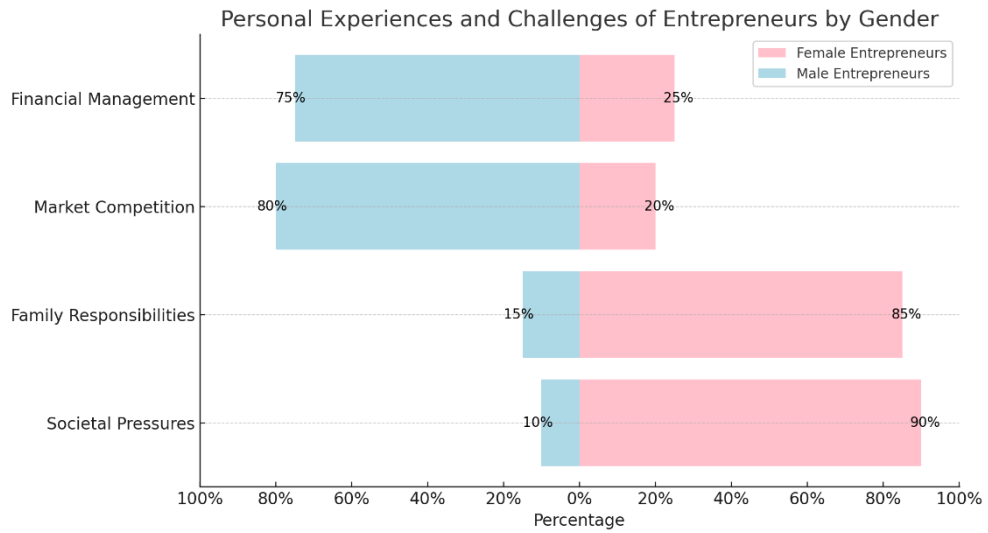
Influence of Social Networks: Both genders rated social networks as influential, but women reported a slightly higher reliance on social networks for business advice and support.



Gender-Specific Challenges and Opportunities: Female entrepreneurs reported more challenges related to gender bias and balancing family responsibilities with business. Men reported fewer gender-specific challenges. However, both genders perceived no significant difference in gender-specific opportunities.

Perception of Cognitive Biases and Environmental Factors: Most entrepreneurs acknowledged the impact of cognitive biases on decision-making, with women more likely to cite specific instances. Entrepreneurs reported moderate impact of environmental factors on their businesses, with no significant gender difference.

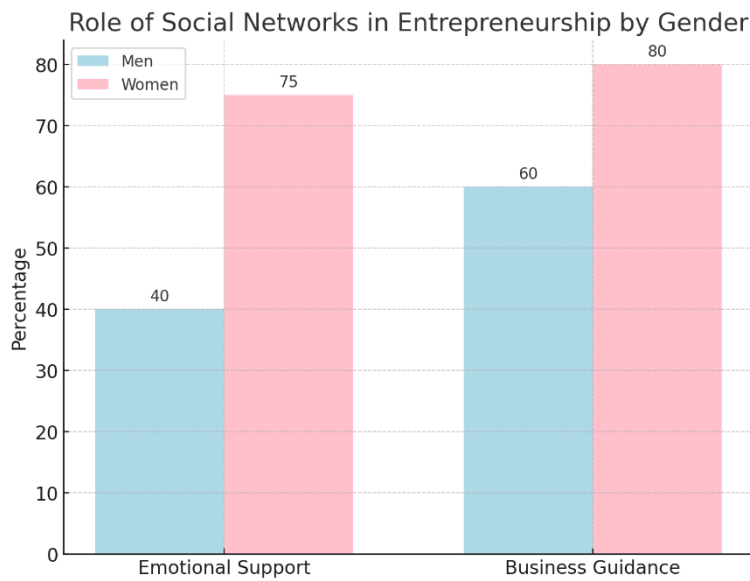


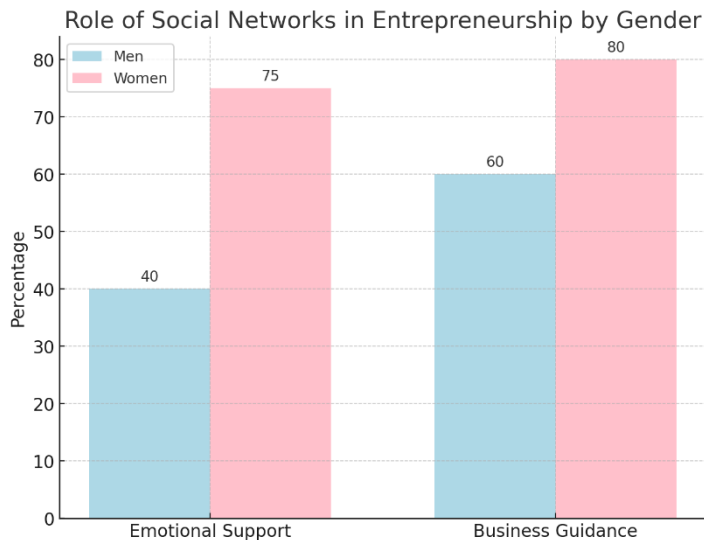


5.2 Qualitative Insights

Personal Experiences and Challenges: Interviews highlighted that female entrepreneurs often face societal pressures and balancing family responsibilities. Male entrepreneurs discussed challenges related to market competition and financial management.

Role of Social Networks: Qualitative data underscored the importance of social networks, particularly for women, for emotional support and business guidance.





Gender and Business Strategies: Women often adopted collaborative and community-oriented strategies, while men were more likely to focus on competitive and expansion strategies.

5.3 Comparative Analysis

The comparative analysis of quantitative and qualitative data suggests nuanced gender differences in entrepreneurial behavior in South Albania. While both genders face common entrepreneurial challenges, women encounter additional gender-specific barriers. Social networks play a vital role for female entrepreneurs in overcoming these challenges. The study also reveals that cognitive biases and environmental factors affect both genders similarly in their entrepreneurial journey. The findings suggest a need for targeted support and policies to address these gender-specific challenges and biases in the entrepreneurial ecosystem of South Albania.

6. Discussion

6.1 Interpretation of Findings

The research on "Gender Differences in Entrepreneurial Behavior in the South of Albania" provides a comprehensive understanding of the nuanced ways in which gender impacts entrepreneurship. The mixed-methods approach allowed for a thorough examination of both quantitative and qualitative aspects of entrepreneurial experiences, leading to several key interpretations:

- 1) **Influence of Social Networks:** The quantitative data indicated a higher reliance on social networks among female entrepreneurs compared to their male counterparts. This finding suggests that women in South Albania may depend more on their social networks for business advice, support, and possibly for overcoming societal barriers. The qualitative insights further reinforce this, highlighting that social networks not only provide business-related support but also play a crucial role in offering emotional support, particularly to female entrepreneurs.
- 2) **Gender-Specific Challenges:** The study revealed that female entrepreneurs face more gender-specific challenges than males, particularly in balancing family responsibilities with business duties. This aligns with global trends in entrepreneurship where women often encounter additional obstacles due to societal expectations and gender norms. The comparative analysis of male and female entrepreneurs underscores the need for more gender-sensitive policies and support systems in the entrepreneurial ecosystem.

3) **Perception of Cognitive Biases:** A significant proportion of both male and female entrepreneurs acknowledged the impact of cognitive biases on their decision-making. This awareness highlights the need for educational programs that address these biases and promote more equitable business practices. The qualitative data suggested that women might be more likely to cite specific instances where cognitive biases affected their entrepreneurial journey, indicating a heightened awareness or impact of these biases on female entrepreneurs.

4) **Environmental Factors Impact:** Both genders reported a moderate impact of environmental factors on their businesses, with no significant gender differences. This finding suggests that external factors such as market trends, economic conditions, and governmental policies affect male and female entrepreneurs similarly. However, the dynamic nature of these factors calls for continuous monitoring to understand their long-term impact on entrepreneurial activities.

6.2 Comparison with Existing Literature

1) **Social Networks and Entrepreneurship:** Consistent with Folberg et al., (2023), the study found that female entrepreneurs in South Albania rely heavily on social networks, affirming the global pattern of women utilizing social networks more for business support.

2) **Gender-Specific Challenges:** The challenges faced by female entrepreneurs, especially in balancing business and family responsibilities, mirror the discriminatory issues highlighted in Marlow's (2020) work, emphasizing the global persistence of gender disparities in entrepreneurship.

3) **Perception of Cognitive Biases:** Entrepreneurs' awareness of cognitive biases in decision-making aligns with Folberg et al. (2023), who noted the impact of gender stereotypes and societal norms on entrepreneurial intentions.

4) **Environmental Factors Impact:** Both male and female entrepreneurs reported a moderate impact of environmental factors on their businesses, aligning with findings from Peng, H., & Pan, Y. (2023) on the universal significance of external factors in entrepreneurship.

These findings reinforce the need for gender-sensitive approaches in entrepreneurship and underscore similar challenges and influences observed globally.

6.3 Gender-Specific Implications for Entrepreneurs in Albania

The research findings on gender differences in entrepreneurial behavior in South Albania have several important implications for entrepreneurs in the region, particularly in addressing gender-specific challenges and leveraging unique opportunities.

Support and Resources for Female Entrepreneurs:

- The higher reliance of female entrepreneurs on social networks suggests a need for stronger support systems, networking opportunities, and mentorship programs specifically tailored for women.
- Policies and initiatives should focus on reducing gender-specific barriers, such as societal biases and challenges in balancing family responsibilities with business duties. This might include offering flexible working arrangements, childcare support, and targeted funding opportunities for women-led businesses.

Awareness and Education on Cognitive Biases:

Given the acknowledgment of cognitive biases in decision-making, entrepreneurship education and training programs in Albania should incorporate modules on recognizing and mitigating these biases. This is crucial for promoting a more equitable and inclusive entrepreneurial environment.

Encouraging Male Participation in Diverse Business Sectors:

Male entrepreneurs should be encouraged to explore business sectors that are traditionally viewed as female-dominated, thereby breaking gender stereotypes and diversifying their business interests.

Promoting Gender Equality in Entrepreneurship:

Efforts should be made to promote gender equality in the entrepreneurial ecosystem in Albania. This includes public awareness campaigns, highlighting successful female entrepreneurs as role models, and encouraging a cultural shift towards greater acceptance and support of women in business.

Leveraging Environmental Factors:

Both male and female entrepreneurs identified the impact of environmental factors on their businesses. Policies should be developed to help entrepreneurs adapt to and leverage these factors, such as economic trends and market demands, for sustainable business growth.

7. Conclusions and Recommendations

7.1 Summary of Key Findings

This research has highlighted several key findings:

- Female entrepreneurs in South Albania rely more heavily on social networks for business support compared to male entrepreneurs.
- Women face unique challenges, particularly in balancing business responsibilities with societal and familial expectations.
- Both genders acknowledge the impact of cognitive biases on decision-making, with women more likely to cite specific instances.
- Environmental factors such as market trends and governmental policies affect male and female entrepreneurs similarly.

7.2 Policy and Practical Implications

Policy Implications:

- Development of gender-sensitive policies that address the unique challenges faced by female entrepreneurs.
- Implementation of educational programs that focus on mitigating cognitive biases in entrepreneurship.
- Review and revision of business regulations to ensure they are conducive to both male and female entrepreneurs.

Practical Implications:

- Creation of robust support systems for female entrepreneurs, including mentorship programs, networking opportunities, and access to resources.
- Encouraging male entrepreneurs to explore a broader range of business sectors, breaking traditional gender stereotypes.
- Promoting an entrepreneurial ecosystem that values gender equality and supports diverse business ventures.

7.3 Recommendations for Future Research

1. Longitudinal Studies: Future research should consider longitudinal studies to track changes and developments in gender dynamics within the entrepreneurial ecosystem over time.
2. Broader Geographic Scope: Expanding the research to include other regions in Albania or comparing with other countries can provide a more comprehensive understanding of gender differences in entrepreneurship.
3. Impact of Socio-Economic Changes: Investigating the impact of significant socio-economic changes, such as technological advancements or economic crises, on gender dynamics in entrepreneurship could yield insightful findings.
4. Evaluation of Policy Interventions: Research evaluating the effectiveness of policy interventions designed to support gender equality in entrepreneurship would be valuable to guide future policy development.

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Appendices

8.1 Survey

Questionnaire for Quantitative Research:

a. Demographic Information

Gender: [] Male [] Female

Age: ____

Educational level: ____

Business sector: ____

b. *Entrepreneurial Background*

1. How many years have you been an entrepreneur? _____
2. What motivated you to become an entrepreneur? (Open-ended)

c. *Business Operations and Strategies*

3. How do you describe your business's current performance? (1-5 scale, Poor to Excellent)
4. What strategies do you employ for business growth? (Multiple choice)

d. *Influence of Social Networks*

5. Rate the influence of your social networks on your entrepreneurial journey. (1-5 scale, Not influential to Extremely influential)
6. How often do you seek advice or support from your social networks? (1-5 scale, Never to Always)

e. *Gender-Specific Challenges and Opportunities*

7. Have you faced any gender-specific challenges in your business? [] Yes [] No
If yes, please specify (Open-ended)
8. Do you believe your gender has provided specific opportunities in your business? [] Yes [] No
If yes, please specify (Open-ended)

f. *Perception of Cognitive Biases*

9. Do you believe cognitive biases affect entrepreneurial decision-making? [] Yes [] No
If yes, please give examples (Open-ended)

g. *Environmental Factors*

10. How do local economic conditions impact your business? (Open-ended)
11. Rate the impact of governmental policies/regulations on your business. (1-5 scale, Very negative to Very positive)

8.2 Semi-Structured Interview:

Introduction

Background and Motivation

- Can you tell me about your journey to becoming an entrepreneur?
- What inspired you to start your own business?

Challenges and Successes

- What are the biggest challenges you have faced in your entrepreneurial career?
- Can you share some of your most significant successes as an entrepreneur?

Gender-Specific Experiences

- In your experience, how does being a [male/female] entrepreneur impact your business operations and opportunities?
- Have you encountered any gender-specific barriers or advantages in your business environment?

Role of Social Networks

- How do you leverage your social networks in your business?
- Can you share an instance where your social network played a crucial role in your business decision-making?

Impact of Cognitive Biases

- Do you think cognitive biases influence your business decisions? Can you provide an example?

Influence of Environmental Factors

- How do environmental factors like market trends, economic conditions, and governmental policies affect your business strategies?

Closing

- Is there anything else you would like to share about your experience as an entrepreneur in South Albania?