

Executive Summary

Women Entrepreneurs in Austria 2017

Women Entrepreneurs in Male-dominated Industries

Women Entrepreneurs and Digitalisation

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This study was conducted on behalf of the Federal Ministry for Digital and Economic Affairs (BMDW).

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This study has been elaborated with reasonable care. The project co-ordinator and the project team does not, however, accept responsibility for printing errors and/or other imperfections and potential (consequential) damage resulting thereof.

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Executive Summary

Although women lead more than one third of all enterprises in Austria and the share of enterprises founded by women is increasing continuously, the image of an entrepreneur remains male. Studies also show that women entrepreneurs lead smaller enterprises, which develop less dynamically. This is mostly attributed to the different industries men and women entrepreneurs work in.

Against this background, this study commissioned by the Federal Ministry for Digital and Economic Affairs (BMDW) and conducted by the Austrian Institute for SME Research (KMU Forschung Austria) focuses on women entrepreneurs active in male-dominated industries. The target group is analysed and compared to women entrepreneurs active in female-dominated industries as well as to women entrepreneurs in general. The study is based on the analysis of a survey among women entrepreneurs commissioned by the Austrian Federal Economic Chamber (WKO). Additionally, interviews with women entrepreneurs working in industries that are uncharacteristic for women and leading large enterprises were conducted. Furthermore, an analysis of statistics about women entrepreneurship as well as about gender-specific educational paths completed the study.

For the study, male-dominated industries have been defined as those sections of the Federal Economic Chamber, in which the share of self-employed women is less than 40 % and the share of employed women is less than 50 %. Female-dominated industries have been defined as those sections of the Federal Economic Chamber, in which the share of self-employed women is at least 40 % and the share of employed women is at least 50 %.

A quantitative overview of women entrepreneurship

The female share among entrepreneurs in 2015/2016 varies between 34 % and 41 % due to different definitions and methods used by statistical sources. In comparison to the EU Member States Austria has the sixth highest percentage of female entrepreneurs.

Enterprises led by women are overrepresented in the sectors human health and social work activities, other personal service activities, as well as accommodation and food service activities. In the sectors professional, scientific and technical activities, financial, insurance and real estate activities they are slightly underrepresented; in the sectors production, information and communication, transportation, and construction they are underrepresented to a great extent.

Within the members of the Austrian Federal Economic Chamber the share of women entrepreneurs is 36 % (without care assistance). In the divisions crafts and trades as well as commerce this share is on average, in tourism and leisure industries the share is above average. In the divisions industry, transport and communications, as

well as information and consulting women are underrepresented. Between 2010 and 2016 the share of women increased most significantly within the division crafts and trades. It also increased within the divisions commerce, tourism and leisure industries, and information and consulting, whereas it decreased in the division transport and communications. The share of women in male-dominated industries is 12 % and remained virtually at this level since 2010.

The minor share of women in specific industries can be explained by analysing the gender-specific educational paths. One third of the apprentices are women. Important gender-specific differences can be observed with regard to the professional choice. In the Top 50 professions 2016 pedicurists, druggist, florist and pharmaceutical-commercial assistants have the highest share of women with over 90 %. Among apprentices in specialised construction activities, in construction installation activities, in sale and repair of motor vehicles as well as in information technology the share of women is below 10 %. Overall, between 2010 and 2016 an increase of the female share can be observed in more than half of all professions in which girls are underrepresented. In contrast, in more than 60% of the professions in which girls are overrepresented or in which the female share is on average, the share of women decreases. However, professions with the highest share of women are still favoured by girls or even have a growing number of female apprentices.

Gender-specific differences are also evident in tertiary education. The fields of study with the highest share of men are engineering and computer sciences, the ones with the highest share of women are languages, translation and interpretation, pedagogy, studies of art and some natural sciences (equine sciences, food sciences, veterinary studies). In the STEM studies (science, technology, engineering and mathematics), the share of women is 34 % in public universities, and 23 % in universities of applied sciences. Here, women are mainly found in peripheral areas of STEM (natural sciences and architecture) and hardly in the core area of STEM (engineering and computer sciences). In a longitudinal analysis no progress with view to the share of women can be observed.

Career paths of women entrepreneurs

Women entrepreneurs are among the highest educated groups. In 2016, one third of all self-employed women had a university degree (a significant increase since 2006), one fourth has successfully completed an apprenticeship. Significant difference to both male self-employed and employed women can be observed. Men entrepreneurs mainly (39 %) completed an apprenticeship, followed by those having a university degree (27 %). Also among employed women, the ones having completed an apprenticeship (including vocational school) are the biggest group. The surveyed women entrepreneurs active in male-dominated industries are even better educated than women entrepreneurs in general as they hold a university degree or a general

qualification for university entrance more often. In contrast, more women entrepreneurs active in female-dominated industries completed an apprenticeship and only few have a university degree.

Before starting their business, most of the women entrepreneurs were employed. Women entrepreneurs active in male-dominated industries more often occupied an executive position than all women entrepreneurs or women entrepreneurs active in female-dominated industries (hereinafter referred to as control groups).

Before starting a business in male-dominated industries, women have on average 13 years of professional experience and 9 years of experience in the specific industry. They are more experienced when starting their business than the control groups, this holds true especially for the experience in the industry.

Main motives for starting a business are pull factors like the pursuit of independence, self-fulfilment, flexible timing, and the realisation of an idea (more than a half of the surveyed women agreed on these). Push factors like the dissatisfaction with the job or a lack of promotion prospects are less important for women entrepreneurs in male-dominated industries than for women entrepreneurs in general or women entrepreneurs active in female-dominated industries.

Starting a new business is the preferred way to become an entrepreneur. The survey showed that women in male-dominated industries more often start their business in a team than the control groups. When analysing corporate succession, it becomes evident that for women in male-dominated industries a succession within the family is more common.

The majority of women active in male-dominated industries are mono-entrepreneurs, 15 % are hybrid entrepreneurs (both, self-employed and employed) or entrepreneurs with more than one enterprise. 8 % are silverpreneurs (self-employed and retired).

Factors to define the success of the own enterprise are mainly client satisfaction, the possibility to gain a sufficient income, as well as product and service quality. Business growth, innovation, sustainable growth, business partner satisfaction and acknowledgement are rarely stated as indicators for success. There are hardly any differences between the groups of women entrepreneurs.

Women entrepreneurs active in male-dominated industries are slightly more satisfied with their income than all women entrepreneurs and women entrepreneurs active in female-dominated industries. About half of all groups are (very) satisfied with their income. With view to social security, the differences between the groups are bigger while the satisfaction with the social security is generally lower.

The biggest challenge as a women entrepreneur in male-dominated industries is the fact that their professional expertise is denied. Additionally, acceptance for young people in management positions is lacking (this was stated by women who started their business at a rather early age). Reconciliation of work and family is a big issue

as well. On the one hand, reconciliation is easier in self-employment than in employment, on the other hand it is a balancing act.

Characteristics of women led enterprises

Among OPEs (One Person Enterprises) women are overrepresented. According to the labour force survey of Statistics Austria two thirds (67 %) of all self-employed women have no employees. The respective figure for men is 48 %. Moreover, data from the Structural Business Statistics 2015 of Statistics Austria reveal that the female share of self-employed in enterprises with 10 and more employees is below that of men. Analyses of the Member Statistics of the Austrian Federal Economic Chamber show that the share of OPEs in male-dominated sectors is clearly below average of the share of OPEs in general (men and women). In women-dominated sectors the share of OPEs is close to average.

More than half of the enterprises in male-dominated industries led by women have a turnover of € 100,000.- and more. Therewith, they feature a higher turnover than the control groups, which can be explained among others by the size of their enterprises. In contrast, hardly any differences can be observed with view to the development of sales, of staff and investment volume.

Regarding strategies for the future, the groups differ strongly. Significantly more often than the control groups, women entrepreneurs in male-dominated industries have a strategy plan regarding the enterprise development. In addition, they plan an increase in turnover or an increase in turnover and the recruitment of additional staff more frequently than the control groups.

Digitalisation

Five levels of digitalisation can be distinguished.¹ About 13 % of the surveyed women entrepreneurs (20 % of men entrepreneurs) can be assigned to the digital basis, another 26 % (men: 19 %) are regarded as digital latecomers. 21 % of women entrepreneurs, and 25 % of men entrepreneurs are located in the digital middle field and use a software, an online-platform or apps for business processes or client administration. Almost one third of the women entrepreneurs (32 %) are considered as digital pros (men: 28 %) as they are e. g. analysing data of clients and users. 8 % self-employed women and men use crowd testing or crowd sourcing and belong to the digital avant-garde.

As expected, a shift from the digital basis to the digital avant-garde can be observed with decreasing age of the women entrepreneurs. Moreover, larger enterprises tend to reach a higher digital level. A look at the age of the enterprises reveals that women led enterprises founded within the last five years have a much higher digital level than older enterprises. Regarding different enterprise turnover size classes, mainly

¹ *The analysis concerning the topic digitalisation include all women entrepreneurs.*

differences with view to the lower digital levels can be observed. The higher the turnover size class, the lesser enterprises can be found which are allocated to the digital basis or the digital latecomers.

Conclusions

As demonstrated, there are multiple facets of women entrepreneurship. Nevertheless, women do not seize the opportunities in male-dominated industries. Which measures have to be taken to overcome gender segregation among entrepreneurs and to increase options for (potential) women entrepreneurs?

To begin with, gender segregation in education and training has to be tackled. As apprenticeships are the vocational training in many male-dominated industries, and thus necessary to become an entrepreneur in said sectors, the measures to increase the female share of apprentices in technical professions should be assessed and extended if evaluation results are positive. Measures influencing the decision-making process for a professional career are crucial. Girls should be motivated to complete their professional practice days in male-dominated industries. Enterprises in which women are active in should be involved to a greater extent. Longer supported internships could broaden professional perspectives. In technical colleges, PR measures, such as training days only for girls, should be fostered. The professional orientation in grammar school has to be expanded, as well as the study guidance at universities. Emphasis has to be put on the STEM core area, in which women are highly underrepresented. In this regard, it is important to communicate differentiated images of professions and work against traditional perceptions of the activities in these professional fields.

Technical universities and universities of applied science should consider the level of prior knowledge of the first-year students when designing the curricula (e.g. preparation courses for grammar school graduates in STEM-studies). To promote self-employment, entrepreneurship education should be further included in the curricula.

Overall many initiatives have been implemented to attract women to STEM. However, evaluations of these measures are missing, and thus, their impact is unknown. Hardly any quantitative impact can be observed. The interest of girls for technical professions in apprenticeship only increases very slowly, in tertiary education the female share remains constantly low especially in the STEM core area. Thus, a critical assessment of all implemented measures is crucial and an overall strategy has to be developed.

All measures breaking the glass ceiling can increase the number of potential women founders (e.g. support programmes for female junior managers, promotion of networks, mentoring programmes for women, promotion of part-time management). Next to gaining management expertise, the higher incomes in management positions broaden the financial options when starting a business. Additionally, more women in management increase the acceptance of female bosses.

As role models play an important role in the decision making process to self-employment, realistic role models have to be pointed out and respective initiatives have to be fostered.

STEM-industries as well as the start-up scene are recognised as being male-dominated. Thus, the promotion of networks for women in the said areas as well as mentoring programmes and support programmes for women are crucial to enable women to develop strategies on how to stand their ground in a male-dominated environment.

As women are overrepresented among OPEs, every support for OPEs is beneficial to women. To fully exploit the potential of women entrepreneurs, the promotion of growth is crucial against this background. Essential is the promotion of the first employee in this context.

The reconciliation of work and family remains women's business and is crucial for women entrepreneurs. Next to promoting childcare facilities in general the promotion of the flexibility of such facilities should be in focus. Moreover, individual solutions have to be considered in the tax system.

