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SCIENTIFIC REVIEW

RESILIENCE AND EMPOWERMENT WOMEN IN BUSINESS DURING THE COVID 19 PANDEMIC IN SERBIA

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ABSTRACT

The COVID-19 pandemic has presented opportunities for women entrepreneurs to adapt and innovate their way of working in response to changing business conditions. This paper discusses literature review as a methodology for conducting research. Also, we used own qualitative research in relation to potential future directions. The main aim of our study was to further nuance our understanding of the COVID-19 crisis results as a challenge for women's entrepreneurial ventures in Serbia. In addition, the goal was to determine what kind of support was provided to women in business in order to survive in crisis conditions, as well as to strengthen their resilience.

Keywords: Women Entrepreneurship, Entrepreneurial ventures, Resilience, COVID-19 crisis.

JEL classification: L29, H12

INTRODUCTION

The COVID-19 pandemic has had a profound impact on organizations owned by women, highlighting the need for resilience and adaptability. There are many studies that examine the resilience of women-owned firms. Studies have found that women-owned firms are more likely to survive than male-owned firms. For example, a study by the National Women's Business Council found that 78.4% of women-owned firms survived their first year, compared to 74.9% of male-owned firms [1]. Women-owned firms also tend to experience slower revenue growth than male-owned firms. A study by American Express found that women-owned firms had an average revenue growth of 46.2% between 2014 and 2019, compared to 58.1% for male-owned firms [2]. While women-owned firms may face unique challenges, they have shown to be resilient and have a higher survival rate than male-owned firms during the COVID 19 pandemic. However, the COVID-19 pandemic has had an uncertain impact on entrepreneurial ventures that have suffered significant consequences. Further, resilience has emerged as an entrepreneurial skill that allows ventures to adapt and grow stronger in the face of challenges.

The main aim of our study was to further nuance our understanding of the COVID-19 crisis results as a challenge for women's entrepreneurial ventures. In addition, the goal was to determine what kind of support was provided to women in business in order to survive in crisis conditions, as well as to strengthen their resilience.

WOMEN'S RESILIENCE THEORIES

The theory of women entrepreneurs and their resilience is a multidimensional concept that recognizes the unique challenges and opportunities faced by women entrepreneurs, and the skills and characteristics that contribute to their resilience in the face of adversity. There are several theories of resilience for firms owned by women. Here are a few:

➤ **Gender Role Theory:** Theory was first introduced by American sociologist Talcott Parsons and his colleague Robert Bales in the 1950s [3]. They created a role-based theory of how individuals contribute to society by being of service and playing a useful function. This theory was later expanded upon by other sociologists and psychologists, such as George Murdock [10] and Margaret Mead [9], who argued that gender roles are shaped by cultural and societal expectations, rather than solely by biology. The gender role expectations have

traditionally limited women's access to income-earning opportunities [4]. The theory founded by Eagly and Carli [5] suggests that the gender roles and social expectations placed on women have resulted in the development of unique skills and traits that make women more resilient entrepreneurs. These skills may include empathy, collaboration, and communication, which can help women navigate challenges and build strong relationships with stakeholders. THEREFORE, women would succeed in many of the skills that are needed for building a successful business [6].

- **Resource Dependency Theory:** According to this theory, gender diversity impacts a firm performance. In this context, women-owned firms may be more resilient because they have developed diverse networks of resources and support, including access to capital, information, and expertise. This diversity of resources reduces their dependence on any single source and helps them weather setbacks. Recent studies on board diversity grounded in resource dependence theory focus almost on the impact of gender on economic outcomes [7], [8].
- **Institutional Theory:** This theory is needed to explain formal and informal institutions in entrepreneurship, particularly women entrepreneurship [11]. Namely, the theory proposes that women-owned firms may be more resilient because they are able to draw upon the legitimacy and support provided by institutional structures such as women's business organizations, government agencies, and gender-focused policies. These institutions can provide resources, mentorship, and networking opportunities that help women entrepreneurs overcome barriers and thrive. Apart from supports from the government, women entrepreneurs use other supports and develop their business. These supports also include informal network of family and friends [12].
- **Intersectionality Theory:** This theory emphasizes the complex ways in which gender intersects with other social identities such as race, ethnicity [13], and class to shape the experiences of women entrepreneurs. Resilience in this context may involve navigating multiple forms of discrimination and overcoming unique challenges that arise from these intersecting identities.
- **Self-Efficacy Theory:** The self-efficacy of women is an important part of the entrepreneurship key competence – a dynamic combination of skills, knowledge and attitudes [14]. This theory suggests that women entrepreneurs who have a strong belief in their own abilities and skills are more likely to persevere and overcome obstacles. Resilience in this context may involve

building and maintaining confidence in one's abilities, even in the face of setbacks or failures. One of the key aspects of this theory is the recognition of the gender-specific challenges that women entrepreneurs face.

CHALLENGES FOR WOMEN AS ENTREPRENEURS

Challenges can include access to finance, networking opportunities, role models, and supportive policies. Women entrepreneurs may also face biases and discrimination that can make it harder for them to succeed in business. Despite these challenges, women entrepreneurs have been shown to be highly resilient [15]. They exhibit a range of characteristics and skills that enable them to overcome obstacles and thrive in the face of adversity. These characteristics include:

- **Perseverance:** Women entrepreneurs are often highly motivated and persistent in pursuing their goals. They are willing to work hard and persist in the face of setbacks and challenges.
- **Resourcefulness:** Women entrepreneurs are often skilled at finding creative solutions to problems and making the most of limited resources. They are able to adapt to changing circumstances and take advantage of new opportunities.
- **Risk-taking:** Women entrepreneurs are often willing to take calculated risks in order to achieve their goals. They are not afraid to try new things or take on challenges that others may avoid.
- **Resilience:** Women entrepreneurs have a strong sense of resilience, which enables them to cope with stress and setbacks. They are able to bounce back from adversity and maintain a positive outlook in the face of challenges.
- **Collaboration:** Women entrepreneurs often collaborate and work together to achieve their goals. They recognize the importance of building strong relationships and networks, and are often skilled at forming partnerships and alliances.

IMPACT OF COVID-19 ON WOMEN-OWNED BUSINESSES IN SERBIA

The Covid-19 pandemic has affected businesses globally, and women-owned businesses have been hit particularly hard due to various challenges such as lack of access to finance, market networks, and institutional support [16]. However, many women-owned businesses have also demonstrated remarkable resilience and have implemented various strategies to survive during the pandemic.

According to a report published by the National Association of Women Business Owners (NAWBO) in 2020, women-owned businesses have been disproportionately impacted by the COVID-19 pandemic. The report found that 90% of women-owned businesses had been negatively affected by the pandemic, compared to 82% of male-owned businesses [17]. The report also found that women-owned businesses tended to have less access to financial resources than male-owned businesses, which has made it more challenging for them to weather the economic downturn caused by the pandemic. However, the report also highlighted that women entrepreneurs have shown a high degree of adaptability and resilience in response to the pandemic, with many pivoting their businesses to meet changing market demands and finding new ways to connect with customers.

Prior to the pandemic, women in Serbia faced a number of challenges in the business world, including limited access to finance, discrimination, and lower pay compared to men [18]. The pandemic has only exacerbated these issues.

According to a report published in 2020 by the International Finance Corporation (IFC), which is part of the World Bank Group, women-owned businesses in Serbia have been disproportionately affected by the pandemic. The report found that women-led businesses were more likely to experience a decrease in revenue, and were less likely to receive government support or have access to finance [19].

The IFC report also highlighted that women in Serbia are underrepresented in leadership positions, with only 28 percent of senior management roles held by women. This lack of representation can contribute to a lack of diversity in decision-making and limit opportunities for women in the workplace [20].

In addition, the pandemic has had a negative impact on women's employment in Serbia. According to data from the Serbian Statistical Office, women's employment decreased by 6.7 percent in the second quarter of 2020, compared to a decrease of 4.4 percent for men [16]. Women were more likely to work in sectors that were heavily impacted by the pandemic, such as hospitality and

tourism. In addition, our research we noted that experiences of highly developed countries show that the majority (79%) of employees seeking flexibility in work during the Covid 19 [16].

Gallup survey of good governance is a key factor in improving employee productivity and innovation [21]. Also, remote employees require a different management style, so managers need to make sure they master the appropriate skills.

Achieving these benefits requires strong, consistent leadership and constant communication. Founders and managers must set an example, be transparent and work to communicate the company's mission, values and goals.

SUPPORT TO WOMEN IN BUSINESS DURING COVID-19 IN SERBIA

There have been a number of initiatives and support measures implemented in Serbia to help women in business during the Covid-19 pandemic. Namely, in response to the Covid-19 pandemic, the Serbian government has introduced a number of measures to support businesses, including women-led businesses. These measures have included financial support, tax breaks, and other forms of assistance. One example of a support program for women entrepreneurs in Serbia is the "Women in Business" program, which was launched in 2016 with the support of the European Bank for Reconstruction and Development (EBRD). This program provides training, mentoring, and access to finance for women entrepreneurs in Serbia, and has continued to operate during the pandemic.

In addition to government and NGO support, there have also been private sector initiatives to support women entrepreneurs in Serbia during the pandemic. For example, the Belgrade-based organization "Womenpreneurs Hub" has provided online training and support to women entrepreneurs during the pandemic, as well as networking opportunities and access to finance. Here are a few examples:

Financial support: The Serbian government provided financial support to small and medium-sized enterprises (SMEs) during the pandemic, including those owned by women. In April 2020, the government launched a program called "Serbia Invests", which provided grants and loans to SMEs affected by the pandemic. Women-owned businesses were eligible for this support.

Training and mentoring: Several organizations in Serbia have provided training and mentoring to women entrepreneurs during the pandemic. For example, the Women's Business Association of Serbia launched a program called "Business Resilience", which provided training and mentoring to help women-owned

businesses adapt to the challenges posed by the pandemic.

Advocacy: Women's organizations in Serbia have been advocating for policies and measures to support women in business during the pandemic. For example, the Women's Government Network of Serbia called for the government to prioritize support for women entrepreneurs in its Covid-19 response measures.

Digital support: The pandemic has highlighted the importance of digital tools and technologies for businesses. Several organizations in Serbia have provided support to help women entrepreneurs improve their digital skills and adapt to the digital economy. For example, the EU-funded project "Women in Business" provided training and support to help women entrepreneurs take advantage of digital technologies.

STRATEGIES FOR INCREASING RESILIENCE AMONG WOMEN OWNERS

There are several ways to increase women-owned businesses' resilience after the Covid-19 pandemic [22]. Here are some of the strategies that women-owned firms have used to survive during Covid-19:

Pivot to online sales: Many women-owned businesses have moved their operations online to continue selling their products and services. They have leveraged e-commerce platforms, social media, and other digital marketing strategies to reach customers and increase sales.

Collaboration and networking: Women-owned businesses have formed partnerships and collaborations with other businesses to share resources and create new opportunities. They have also leveraged existing networks to find new customers and expand their reach. Encouraging networking opportunities, such as online events, can help women entrepreneurs connect with each other, learn from one another, and find new opportunities.

Diversification: Women-owned businesses have diversified their product and service offerings to cater to changing consumer needs and preferences. For instance, some businesses have shifted from offering in-person services to online services, while others have started selling essential goods.

Cost-cutting measures: Women-owned businesses have implemented cost-cutting measures such as reducing staff, renegotiating contracts, and minimizing expenses to conserve cash flow.

Access to government support: Women-owned businesses have accessed government support programs, such as loans and grants, to help them weather the pandemic's financial impact.

Provide financial support: Governments and private organizations can provide financial support to women-owned businesses in the form of grants, loans, or tax breaks. This assistance can help businesses stay afloat during the pandemic and recover from any losses incurred.

Offer training and mentorship: Many women-owned businesses may lack the necessary skills to pivot their business model or adapt to the changing economic climate. Providing training and mentorship can help women entrepreneurs develop the skills they need to navigate the pandemic successfully.

Improve access to technology: Many businesses have had to shift to online operations due to the pandemic, but not all women entrepreneurs have the necessary technology or technical skills to do so. Improving access to technology and providing technical training can help women entrepreneurs continue operating during the pandemic and beyond.

Address systemic inequalities: Women entrepreneurs have faced systemic barriers long before the pandemic, including gender discrimination, lack of access to capital, and societal expectations. Addressing these inequalities can create a more equitable environment for women-owned businesses, leading to increased resilience and success.

CONCLUSION

Women owners have been shown to demonstrate high levels of resilience in the face of challenges and adversity. Research has indicated that women entrepreneurs are often able to adapt to changing circumstances and navigate through obstacles in order to achieve their goals.

There are several reasons why women owners may exhibit resilience in their business endeavors. For one, women may have faced various forms of discrimination and bias throughout their lives, which has required them to develop coping mechanisms and the ability to persevere in the face of obstacles. Additionally, women may have a strong support network that includes family members, friends, and mentors who offer encouragement and guidance. This support can help women owners stay motivated and focused during challenging times.

Women owners may also be more likely to seek out resources and support when they encounter difficulties in their businesses. They may be more willing to ask for help, seek out advice, or collaborate with others to find solutions to problems. It is important for policy-makers and business leaders to continue to prioritize and support women entrepreneurs, as they play a vital role in the

economy and society.

In Serbia is trying to encourage women to enter the business world and start their own business with various subsidy measures. The support program for the development of women's innovative entrepreneurship for the year 2021 allocated about 100 million dinars for these purposes. In addition to this, the Ministry of Economy and the Ministry of Agriculture have defined their programs, so that women can more quickly overcome the problems that arose in business during the pandemic and continue with their business. Otherwise, in addition to this, the funds could be used for the planning, development and implementation of a promotional campaign on the importance of the development of women's entrepreneurship at the national and local level.

Overall, the Covid-19 pandemic has highlighted and exacerbated existing gender inequalities in the Serbian business world. It is important for policy-makers and business leaders to address these issues and work towards creating a more equitable and inclusive business environment for women in Serbia.

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