

ENHANCING COMPETITIVENESS AND QUALITY OF LIFE IN DESTINATIONS THROUGH FEMALE ENTREPRENEURSHIP

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Abstract:

Entrepreneurial activity has the potential to contribute to local and regional economic development. Business foundations in creative markets such as education, fashion, medicine, arts and entertainment may positively impact both residents (living space) and visitors (destination space). Female entrepreneurs are perceived as particularly active in these markets. As a connection between these fields has not been investigated yet, this paper investigates possible correlations between female entrepreneurship and destinations' competitiveness and quality of life. Secondary data from a variety of sources have been analyzed. The findings enhance the linkage between destination development and local entrepreneurship and provide new perspectives for destination managers.

Keywords:

ecosystem of hospitality, destination competitiveness, quality of life, female entrepreneurship.

INTRODUCTION

For decades, numerous developments, trends and crises have posed significant challenges to the management of business locations, tourist destinations and cities as living spaces for their inhabitants. On the demand side, people's increasing search for quality of life, authenticity, interpersonal encounters, individuality and new forms of coexistence – while travelling as well as in everyday life – are accelerating this trend (Pechlaner, 2022). Thus, the perception of locations, cities and destinations is transforming from a traditionally separate to an integrated, holistic view (Philipp *et al.*, 2022a). Such approaches often include soft factors such as culture, creativity or quality of life that enhance the competitiveness of locations, cities and destinations. Female entrepreneurs are known to find businesses particularly often in these creative fields as their startups often address fashion, medical, educational, art, entertainment or tourism issues (Schwing & Zehren, 2022). The subsequent work hence aims at analyzing the role female entrepreneurs play in terms of (1) competitiveness and quality of life of destinations and locations and (2) the implementation of integrated, holistic destination and location management approaches by focusing on particular elements of the recently proposed holistic “Ecosystem of Hospitality”. The findings contribute to the current state of research in various ways.

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LITERATURE REVIEW

Towards an Ecosystem of Hospitality

The Ecosystem of Hospitality (EoH) derives from the above-mentioned concepts and represents a holistic and integrated development of destinations, locations and living spaces (Pechlaner *et al.*, 2022; Philipp *et al.*, 2022b). The EoH aims to establish a new quality standard to meet network partners' and stakeholders' different needs and demands in the urban-rural space through joint action and activity in space (Pechlaner *et al.*, 2022). The basis for this is taken from the approach of entrepreneurial ecosystems – individuals taking responsibility in urban and rural spaces and co-creating transformative forces and energies in an entrepreneurial way (Bachinger *et al.*, 2020). As the core of the EoH, the strategic focus is on the quality of life, resilience, culture, creativity, mobility and networking enables human interaction and encounters, which has a positive impact on satisfaction, relationship quality and hospitality. Through this, even spaces such as industrial parks can become points of attraction and influencing factors of the respective place (Pechlaner *et al.*, 2022). Entrepreneurship and innovation thus promote local quality of life and competitiveness (Kofler *et al.*, 2018).

Entrepreneurship and Female Entrepreneurs

Despite the lack of a generally accepted definition (Solvoll *et al.*, 2015), entrepreneurship is the “process of generating, developing and exploiting an idea in a new or existing business in order to implement innovative products or production methods and therefore change the business environment” (Schwing & Zehren, 2022, p. 131). Therefore, entrepreneurs are individuals who have a business idea, evaluate it, and utilize it.

Jakhar and Krishna (2020, p. 38) define a female entrepreneur as “an innovative and creative woman who has achieved economic independence (...) and employment opportunities for others”. Women entrepreneurs often prioritize social over economic objectives (Jennings & Brush, 2013), resulting in positive effects on ecosystems and opportunities for diversity enhancement.

Companies founded by women often exhibit higher turnover (Abouzahr *et al.*, 2018) and increased numbers of jobs. Women especially found companies in the textile, health and education sectors (Münster *et al.*, 2021).

Competitiveness and Quality of Life of Spaces

In the context of tourism, Ritchie and Crouch (2003, p.2) define destination competitiveness in tourism as “increasing tourism expenditure and attracting more visitors while providing them with satisfying experiences, enhancing the well-being of the destination's residents, and preserving natural capital for future generations”. Organizations such as the World Economic Forum regularly publish reports with various indicators to measure competitiveness. The Global Competitiveness Index (GCI) and the Tourism & Travel Competitiveness Index (TTCI) or the Travel & Tourism Development Index (TTDI) are prominent examples. These analyze a country's competitiveness and potential for improvement based on macroeconomic stability, labor market and supportive framework conditions, among others.

Ritchie and Crouch (2003) and Bachinger and Pechlaner (2022) consider the well-being and quality of life of the local population and visitors to play an essential role in the competitiveness of an area. The World Health Organization (WHO) (1998, p. 551) defines quality of life as “a person's subjective perception of their position in life concerning the culture and value systems in which they live in relation to their goals, expectations, standards and concerns”. Various indicators can measure the quality of life, such as perceived quality of life, education, health, income, safety or environment (OECD, n.d.). The destination's quality of life and competitiveness are strongly interconnected to entrepreneurial activity (Peters *et al.*, 2019).



METHODOLOGY

This paper analyzed the correlation between the GCI and TICI and several entrepreneurship variables. Due to the availability of data, only OECD countries were considered. The year 2019 was considered, as sufficient data was available on the relevant variables in the index *How's Life? Well-Being* (Schwab, 2019).

Following the Shapiro-Wilk test for standard distribution, the entrepreneurship variables were correlated with the normally distributed variables of quality of life, the general GCI and the TICI (Schwab *et al.*, 2019). As some variables did not show a direct correlation (cf. Obilor *et al.*, 2018) with the Female Entrepreneurship variables but were considered relevant to explain existing associations, the correlation with these variables was extended by possible latent associations, i.e. associations that were not direct but have been established through observations of additional variables (Salkind, 2010).

RESULTS AND DISCUSSION

There is a significant negative correlation of the variables assigned to entrepreneurship – (1) *TEA of the female population* and (2) *Total TEA with feeling safe at night and enabling environment*, among others. For the enabling environment, there is a higher negative correlation with the percentage of *Total TEA* compared to the *total early-stage entrepreneurial activity* (TEA). TEA indicates the percentage of people between 18 and 64 years of age whose businesses are in the start-up process or who have carried out a start-up activity over the past 3.5 years (Sternberg *et al.*, 2022). *Enabling environment* includes factors such as infrastructure, information and communication technologies and macroeconomic stability, which are essential to entrepreneurial ecosystems and influence entrepreneurship activity. This positively impacts satisfaction, relationship quality and hospitality through a strategic focus on the environment (cf. Pechlaner, 2022).

There is a positive correlation between the *TEA of female population and the perceived health (good)*, which describes the individual and subjective perception of health. Both entrepreneurship and female start-up activity have high, significant, positive correlations with *perceived health (good)*, making clear that women's start-up activity in the health sector, has a positive effect on perceived health and the health system and thus on the quality of life in the area (cf. Münster *et al.*, 2021). The significant negative correlations of the entrepreneurship variables with perceived health status (poor) reinforce this result.

In addition, there are several potential correlations, which, however, have not been significant in the present analysis and therefore require further investigation. For example, there is a negative, insignificant correlation between the *government debt to GDP ratio* and the variables associated with female entrepreneurship, meaning that female entrepreneurship can increase overall economic performance and may reduce new public debt borrowing (cf. Abouzahr *et al.*, 2018). Depending on population development, improved economic performance can ensure an increasing gross domestic product per capita and thus function as an indicator of a country's prosperity and quality of life.

CONCLUSIONS

Although only some of the variables examined do not show the presumed correlations, and only a few of these are statistically significant, further correlations cannot be ruled out and contribute to the further opening of the growing field of female entrepreneurship. The statistically significant correlations already found allow conclusions about female entrepreneurship's economic and social significance. In the context of EoH as a holistic and integrated development approach to destinations and locations, it can thus be stated that female entrepreneurship can play an important role in increasing the quality of life and competitiveness of the geographical area and thus in the implementation of new spatial development concepts.



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