

WOMEN ENTREPRENEURSHIP: A BANE OR A BOON TO ENTERPRISE DEVELOPMENT

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ABSTRACT

Women choose micro enterprises as a way for the betterment of their livelihood. Whether employment generated by enterprises really enabled them to achieve their goals is not clear. Therefore, the major objective of this study was to assess the interrelationship between the potentiality of women as entrepreneurs and their enterprise development, and to recommend suitable remedial measures.

Through interviews and questionnaires data was obtained related to demographic, situational, contextual and personal characteristics that could affect enterprise development.

It was found the situational factors pushed women to become as entrepreneurs. Demographic factors, contextual and personal characteristics contribute marginally to the development of the enterprise while placing barriers.

Key words: Contextual factors, Demographic factors, Personal characteristics, Situational factors, Women entrepreneurs

INTRODUCTION

Women enter into micro or small scale businesses to look after themselves as well as their families with number of goals. It seems the rate of failure among women entrepreneurs is high since challenges faced by them during the initialization and expansion stages contribute negatively. These challenges could arise from environmental and personal factors that influence individual female's decisions to engage in entrepreneurial activities and develop them into successful enterprises.

Hence, this study attempted to evaluate essential components for successful women entrepreneurship, as it would help the Governmental and non governmental efforts to alleviate poverty by promoting women entrepreneurship.

RESEARCH PROBLEM

Women entrepreneurs are more likely to experience barriers in their enterprise development, due to demographic, situational, contextual, and personal factors which inhibit their potentiality to become as entrepreneurs.

Research Questions

- 1.) Do demographic factors (marital status, age, education, ethnicity etc.) have a negative impact on women entrepreneurs?
- 2.) Do situational and contextual factors (family background and upbringing, roles in family, work experience, finance etc.) affect negatively?
- 3.) Do personal factors (necessary competencies) affect negatively?

OBJECTIVES OF STUDY

The overall objective of the study is to find out the inter relationship between women entrepreneurship and enterprise development

The specific Objectives of the study are:

- i.) To identify how and to what extent demographic, situational, contextual and personal factors are affecting enterprise development.
- ii.) To investigate the support requirements of women entrepreneurs, and
- iii.) To identify and recommend possible strategies to overcome the barriers faced by women entrepreneurs.

SIGNIFICANCE OF THE STUDY.

In spite of the fact that countries have experienced vast changes in the fields of gender and enterprise development in the past few decades, issues related to promote women entrepreneurship and the gendered impact on enterprise development are virtually untouched. Therefore, an extensive study on women entrepreneurship is important to understand the interplay between women entrepreneurship and enterprise development. As poverty alleviation programmes prescribe entrepreneurship development as an effective vehicle for the upliftment of socio economic status of women, this study would help to implement poverty interventions with gender sensitivity. Since this issue has acquired

priority in the development agenda, the present study has been formulated with a strong policy and action orientation, and would help the policy makers, academia and others to design and develop competencies based education, training programmes and other supportive measures with gender perspective.

LITERATURE REVIEW

International research into women entrepreneurship is divided into two directions: one is saying that the general assumptions and theories on which the current entrepreneur research is built is enough to explain women entrepreneurs' motives and behaviour. The second direction stresses that to uncover the special circumstances that influence female entrepreneurship, other frameworks of understandings are needed (Gamage, 2005).

The second direction assumes that female entrepreneurs differ from their male counterparts in a number of sexually determined, psychological variables. On the basis, it argued that the 'masculine' success criteria are not suitable for evaluation of the female entrepreneurs (Jeyawera; 1996, Holmquist and Sundin; 1989).

One of the first studies to investigate women entrepreneurs was Schwartz in 1976, which drew attention to the three main barriers faced by women business owners; the first was financial discrimination, lack of training and business knowledge, under estimating financial and emotional costs of sustaining a business. Some researches have indicated that business ownership can facilitate greater self – determination and empowerment particularly for females through the owning and controlling of resources (Goffee & Scase, 1983). Few studies have indicated entrepreneurship provide increased ability to mix work and domestic life, which in turn help to reduce the double burden of women. Recent studies noted that environmental and personal factors should be paid greater attention in addition to family background and upbringing.

In the above sense, there is a huge gap in the existing knowledge in the case of entrepreneurial competencies and enterprise performance of Sri Lankan women entrepreneurs. As such, this study is expected to fulfill the knowledge gap by incorporating personal, environmental and other situational and contextual factors that affect the performance of their enterprises.

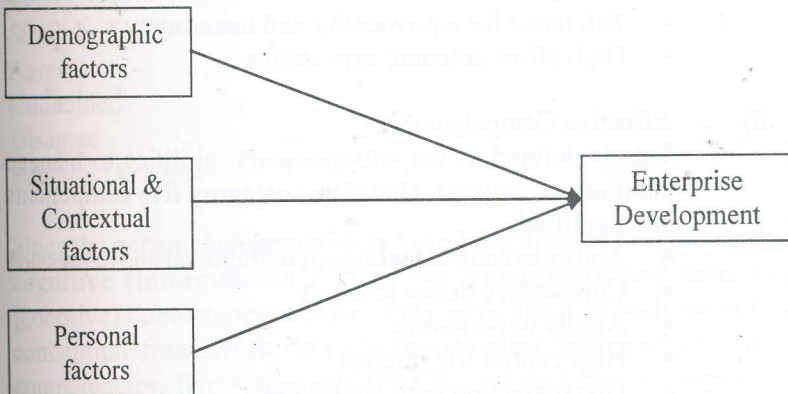
DESIGN OF STUDY

The methodological design of the study was largely defined by the investigative nature of the study, due to the absence of previous researches on women entrepreneurs operating micro / small businesses. A qualitative method of investigation was employed to analyze the requirements of women as business owners, the problems and barriers which they faced during the start up, the methods they employed to overcome such obstacles, and the means of support they had found accessible to them. However, to understand, the influence of personal factors, qualitative method was employed for analysis.

This study was divided into the following stages:

1. A comprehensive review of the literature
2. Interviews with service providers who provide services to women entrepreneurs
3. Pilot investigations by using open ended questions for in – depth interviews with women entrepreneurs
4. A series of actual interviews recorded.
5. Data and information were coded and analyzed
6. Conclusion and possible recommendation

CONCEPTUAL FRAMEWORK



Based on the above framework concepts were operationalized according to their qualitative / quantitative nature. Details are given under methodology section.

METHODOLOGY

After a comprehensive literature review, service providers were interviewed to get details about women entrepreneurs. Thereafter, investigations were made using in – depth, open ended interviews with women entrepreneurs to understand the demographic, situational and contextual factors. To find out the personal factors that determine the competencies of women entrepreneurs, a questionnaire was used. The responses were obtained by using five point Likert Scale. The questionnaire was filled by the researchers during the interview. This study mainly employed descriptive research study, and single cross sectional design was used to collect data necessary for the analysis.

Definition of Personal Characteristics:

For the purpose of this study, it is defined as knowledge, skill, motive, value or any other personal characteristic that contributes to enterprise development. It is categorized as follows according to Misra & Senthil Kumar (2000):

- i) **Cognitive Competencies:**
This is defined as the effective management of thought processes, beliefs and expectations. Under this category six components are identified.
 - Ability to analyze information
 - Ability to take risks
 - Ability to innovate
 - Ability to perceive and make sense of equivocal realities
 - Tolerance for equivocality and uncertainty
 - High effort outcome expectancy

- ii) **Affective Competencies:**
This is defined as the entrepreneurs' abilities to manage emotions or feelings. Under this category five components are identified.
 - Ability to control feelings of withdrawal and depression
 - Competitive desire to excel
 - Ability to persevere
 - High central life interest
 - Dissatisfaction with status quo

- iii) **Behavioral Competencies:**
This refers to the entrepreneurs' ability to manage intentions and action orientations. Under this category four components are identified.

- Ability to motivate and drive employees
- Ability to influence external agencies
- Ability to find, marshal and control resources
- Ability to establish strong networks

Sampling Design

Women entrepreneurs were selected from the lists provided by the Department of Industries (2000) and the USAid (Trade Fair 2007). The study area was identified as Town and Gravets D.S Division of Trinco District for the sake of accessibilities. To have statistical significance and care was taken to give equal importance to all ethnic groups. Though convenience sampling technique was used to select the sample from the population, care was taken to accommodate women entrepreneurs from various income groups.

Method of Data Analysis.

Central tendency measures were mostly used for the analysis and classification of data. Data obtained to understand about demographic, contextual, and situational factors from the interviewees and service providers were grouped and coded to get meaningful information. To measure the personal characteristics identified as cognitive, affective and behavioral competencies fifteen statements were formulated according to Misra and Senthil kumar (2000). Each item was measured using a five point Likert Scale. The opinion of the respondents with regard to each statement was assigned points, which are shown below:

Strongly Agree	5
Agree	4
Undecided	3
Disagree	2
Strongly Disagree	1

Since the personal characteristics have been divided into three namely, cognitive (informational); affective (emotional); and behavioural (conotive) competencies. Statements were given to each according to conceptual framework. Six statements were assigned to cognitive competencies, five statements for affective and four statements were assigned to behavioural competencies. Based on the answers given to each statement by the respondents, the following decision rule is developed:

Decision criteria:	Decision rule:
$1.0 \leq X_1 d'' 2.5$	Respective competency is in Low Level
$2.5 < X_1 d'' 3.5$	Respective competency is in Average Level
$3.5 < X_1 d'' 5.0$	Respective competency is in High Level

X_1 Mean value of the variable

$i = 1, 2, 3 \dots \dots \dots$

X_1 = Mean value of cognitive competencies

X_2 = Mean value of affective competencies

X_3 = Mean value of behavioural competencies

RESULTS AND DISCUSSION

Demographic Factors of Respondents

In total 30 women were interviewed. Of these twenty – five were having experience in the current job for less than 3 years, only five were having experience in running a business for more than 3 years. The majority of the women entrepreneurs came from the small manufacturing sector, although a small number came from service sector. The women's age ranged from 24 to 45 years, with a mean age of 34 years. It was observed that start up age of women entrepreneurship was 20 – 25.

Table 01. Demographic Data of Women Entrepreneurs

Demographic Data of the Sample		N = 30	Demographic Data of the Sample		N = 30
Marital Status:			Educational Qualifications:		
Married & with family	16		G.C.E.(A/L)	05 (16.67%)	
Separation	02		Gr.05 – G.C.E.(O/L)	20 (66.67%)	
Divorced	02		Up to Gr.05	05 (16.66%)	
Widowed	05			<u>30 (100%)</u>	
Desertion	02				
Spinster	03				
	<u>30</u>				
Employment of the Spouse:			Professional Qualifications:		
Self employed	05		Technical	15 (50%)	
Unemployed	05		CEFE	05 (16.67%)	
Non – working	06		Other	03 (10%)	
(Disabled)	<u>16</u>		None	07 (23.3%)	
				<u>30 (100%)</u>	
Business Experience:			Dependent Children:		
Present	18 (60%)		01	03 (10%)	
Past	12 (40%)		02	12 (40%)	
	<u>30 (100%)</u>		03	10 (33%)	
			> 03	05 (17%)	
				<u>30 (100%)</u>	
Family Business Experience:			Other dependants:		
Yes	11 (36.67%)		Yes	19 (63.33%)	
No	19 (63.33%)		No	11 (36.67%)	
	<u>30 (100%)</u>			<u>30 (100%)</u>	
Relevancy of Previous Job:			Age Range (Yrs.):		
Yes	16 (53.33%)		21 – 30	07 (23.33%)	
No	14 (46.67%)		31 – 40	21 (70.00%)	
	<u>30 (100%)</u>		41 – 50	02 (06.67%)	
				<u>30 (100%)</u>	
			Mean Age = 34 yrs.		

Situational and Contextual Factors

Situational and Contextual factors explain the entry and existence of women in business. When questioned about previous job, and business related previous job, around 10 women reported that they did not have any experiences; except 16 women others, did not have any work related experiences. It seems, when women decide to start up their enterprise, they did not limit their choice to past experiences, as most of the women entrepreneurs enter into business due to the death or disappearance or disability of life partner. Being unable to find suitable work was the reason cited by many women entrepreneurs. Few (36.67%) of the women entrepreneurs were fortunate to have parents or relatives in the business field.

When they were questioned about problems encountered in the beginning, majority (73.33%) of them sited they lacked the fundamental knowledge of how to survive a new business. This was arising from the educational system, which did not provide practical knowledge.

The other barrier was childcare. Since all of the women entrepreneurs were having dependent children (Table 01), childcare has been a significant problem to many of women entrepreneurs because it is considered as an assigned task for women. For some women entrepreneurs the burden of childcare was shared by the other dependents especially parent(s). If the family type was multiple, women entrepreneurs relied on them for childcare.

Another inhibitor for growth widely accepted by women entrepreneur was finance. They acknowledged that they (>50%) had financial limitations. It appeared that women were embarking on a small scale micro business with little intention of expanding. Considerable number of women started their business from the compensation due to their husband death. Since they were not having adequate knowledge and skill, they expressed that they were unaware how to ask the right questions to finance people / service providers (Therefore they did not receive the information needed).

Banks were regarded as very expensive to use when transacting money. Many considered bank charges may inhibit the potential for growth. Apart from that ethnicity and religion were also cited as obstacles for business success as they (46.6%) define the roles, responsibilities, norms and values of women entrepreneurs.

When women entrepreneurs were questioned about sources of help, most of them stated NGOs. Many acknowledged the training was useful for them. Some have received initial capital, while some have received assistance from religious organizations.

Apart from the above organizational financial help, women entrepreneurs cited their family members as a source of help. This social capital helped them to open up and run the business in many ways. However, none of them sought advice from Government organizations though there is one called Centre for Entrepreneurship Development at Trincomalee which provides assistance for drawing business plans.

As an answer to the question on their reflection on business experience and future plan, most women preferred to be at a micro level rather than expansion. Because the nature of their business limit them with the seasonal variations. The majority (63.3%) felt that it would not be possible for them to develop, branch out and expand with their current level of their family commitment in conjunction with a lack of finance. Since all of them run their businesses at their own homes with family members they were very cautious about the added cost of premises and employees.

The interviewees were also requested to provide some useful comments. Many were concerned about the flexibility of work and home life. This fact is rising from the accepted gender roles. Only two women expressed the conflict between work and family life.

Many of them had the opinion that the Government assistance was not adequate. They also noted institutions should help them to identify potential of their businesses and the markets absorbing power for their products. To become adaptable to the demands and shortfalls of their businesses women entrepreneurs noted Government should provide some survival strategy.

It was agreed by the women entrepreneurs that there was a lack of business network groups. Many felt that they would have benefited from having greater contact with other new and established business owners. Several mentioned that they would like access to a mentor type of scheme, or support groups. Women entrepreneurs also noted that there was no equality of access to support extended by organization whether GO or NGO.

Many of the women reported a common problem, "men". They explained though male partner, family members, friends assisted to an extent and were helpful in a manner, 'other men' tried to put hindrance. Since private space is for women and public space is for men, around 80% of the women entrepreneurs reported, men were reluctant to deal with a female boss.

Personal Characteristics

Personal characteristics have been defined as a mix of knowledge, skills, motives, values or any other personal characteristics that contribute to effectiveness. These competencies have been categorized into three namely; cognitive, affective and behavioural competencies. By using 5 point Likert Scale the following results in numbers were obtained from the sample of 30 women entrepreneurs.

Table 02. Personal Characteristics of Women Entrepreneurs:

Competency Level	Cognitive	Affective	Behavioural
High	08	10	07
Average	18	13	06
Low	04	07	17
TOTAL	30	30	30

From the above Table it is evident that nearly 25% of the women have high competency level in all three components. At the same time, except the behavioural competency nearly 50% of the women entrepreneurs have average in other two competencies. Hence, it could be concluded that cognitive competency is at a satisfactory level, 75% of them are having the ability to manage their thought processes, beliefs and expectations.

Table 03. Summary of Competencies and Decision Rule is given below:

Standard		Actual		
Criteria	Decision Rule	Competency	Result	Decision
$1.0 < X_i \leq 2.5$	Low	Cognitive	3.67	High
$2.5 < X_i \leq 3.5$	Average	Affective	3.57	High
$3.5 < X_i \leq 5.0$	High	Behavioural	2.92	Average

The other competency is defined as women entrepreneur's ability to manage emotions or feelings, also showing an acceptable level. 23 women entrepreneurs were having high / average affective competency. However, the mean value was nearer to the lowest end for cognitive competency (3.67) and affective competency (3.57) that was the borderline and probability of falling into average level was quite high for these competencies.

CONCLUSION AND RECOMMENDATION

It was found the majority of women entrepreneurs appreciated the flexibility and autonomy of working for oneself and recognized that the benefits of business ownership were worth the struggle. However, they faced a general problem, regardless of ethnic backgrounds of trying to juggle the demands of a business and a family. They also reported many of the barriers they encountered could eventually be overcome if proper assistance / support is given by GOOs / NGOs. Moreover, they expressed that the business ownership resulted in a sense of empowerment, increased self confidence and a sense of pride. However, number of women entrepreneurs who fall in low level of affective competency was higher than the cognitive competency.

The last competency, which is behavioural competency, defined as an entrepreneurs' ability to manage intentions, actions, relationship with others, ability to influence external agencies is showing a different pattern. Only 07 women entrepreneurs were showing high level of behavioural competency, whereas 06 were showing average level. On the other hand, 17 women entrepreneurs (56%) were showing low level. Of the three competencies, behavioural competency is the one which registered adverse results. Hence, it could be concluded many women entrepreneurs were lacking the ability to manage their intentions and action orientation successfully.

It could be seen that cognitive competency and affective competency registered high level as a whole and behavioural competency average level. However, when compared with end points, cognitive and affective competencies shown a marginal value – more nearer to the lowest end of the range.

Based on the findings the following recommendations are given. They are not exhaustive; they seek to summarize the main issues and attempt to provide practical solutions. These solutions are the starting point for the development of long term strategies that create opportunities for the development of women entrepreneurship.

a) Business Support:

As the findings indicate that the advice and support that are available are not accessible or unaware to women entrepreneurs. Discussion with service providers (Banks, CEDS, Dept. of Industries, etc.) reveals number of women approaching them for assistance was extremely low.

Lacks of confidence, lack of knowledge, lack of physical access were quoted as the main reasons. To overcome this problem, extension of available services in the form of outreach programmes or mobile banking for entrepreneurs could be provided. However, other factors (e.g. lack of confidence) need to be addressed simultaneously if women are to take advantage of the opportunities such a move would create.

Lack of confidence is the greatest barrier to women's progression into micro and small business ownership. This is prevalent among those who do not have family or friends with business experience. This lack of identification is reinforced by the image portrayed, consciously or unconsciously by the service providers who tend to be mostly males. Therefore, while service providers widen their client base they should take care to diversify the composition of clientele by accommodating people with different needs.

In order for service providers to encourage greater participation by women entrepreneurs, they need to take a more proactive approach in overcoming the perception held by women of current service provision. An awareness programme is essential to address and to breakdown the stereotypical image. Business clubs and confidence building courses would be of benefit. An integrated approach with closer monitoring of service delivery will be necessary if the impacts of initiatives are to be evaluated.

b) Mentoring:

Many women entrepreneurs especially those from ethnic minority groups reported that they lack the confidence to pursue business ownership. It is more likely to result from lack of role models either within their family or friends. Since many of them became women entrepreneurs due to situations which compelled them to become as women entrepreneurs, they need a mentoring scheme. This scheme should reflect on an individual's background, with particular emphasis on gender, culture class, educational attainment and domestic circumstance. Effective support can only be provided by a mentor who can identify his / her mentee's personal characteristics. Therefore, mentors should be appropriate for the target group. A more structural approach, such as one that integrates mentoring into formal business networks (e.g. Chamber of Commerce) may be feasible. It is essential that these schemes should be tailored to the needs of women entrepreneurs.

c) Business Networks:

As women entrepreneurs do not fit into the standard business owner stereotype due to their family obligation, they could be easily excluded from business networks. Women entrepreneurs, those who retain responsibility for childcare and those only have access to public transport would be very restricted to attend meetings; find it difficult to get membership and maintain it. Therefore, business networks could be established and operated in such a way to meet the demands of women entrepreneurs. These networks should be held within communities at times and locations that are suitable for women entrepreneurs. Networking groups could also incorporate training sessions talks from outside speakers, and also be a base for mentoring scheme.

d) Financial Institutions:

Financial institutions, banks and others are criticized by the women entrepreneurs as helpless. Many of them would not consider approaching commercial banks for financial support because of the treatment they received or believed they would receive. The blame for this comes from both directions, women entrepreneurs and banks. Most of the loan schemes ask for collateral, which women entrepreneurs do not have. On the other hand, though banks accept micro business owners as an important client base, little progress was made in increasing female micro business customers. If female business owners are to be comfortable in approaching financial institutions, they need to be assured that they are going to be treated in a manner that is not patronizing or discriminating.

e) Cultural Barriers:

Women entrepreneurs are from different cultural and religious backgrounds. For some women, the provision of 'women only' courses that should have to be held in venues within their own community. For others courses run by women would be sufficient to overcome the barrier they currently face.

In terms of language barriers the skill base within the community could be utilized. Community groups could be of greater usage in translation and training; they could provide the necessary information and service where language is seen as a barrier.

The androcentric nature of communities in which the women entrepreneurs live vary from community to community and rural to urban areas. It would be naïve to expect a community to radically change attitudes that are such a central part of its identity and any initiative

would have to take account of the community's wishes. Women's cooperatives based within the community may be one answer, and that could provide women with the opportunity to work for themselves.

f) Childcare:

Since the number of places for out of school care is still insufficient to meet the demand, NGO consortium or provincial / central government should look into the matter seriously and investment is needed if this situation is to be resolved. Lack of out of school care has been reported as an important barrier to women's entry into business ownership, as well as restricting the ability of women to develop and expand existing businesses. If women are to be attracted the same access to business ownership as men, then the issue of childcare must be addressed. Therefore, actions need to be taken to develop childcare as a business opportunity, in order to provide many childcare places out of school.

The cost of childcare is not so severe in families where multiple family households were seen. This social capital is not available to single family household. Therefore, single women entrepreneurs with dependent children advocate that they should be paid with an allowance / subsidy by the Government till the children reach maturity.

g) Personal Characteristics:

According to analysis, it was seen that cognitive competency and affective competency were in high level and behavioural competency was on average. However, cognitive competency and affective competency were very marginal. Therefore, entrepreneur development training programmes to enhance the skills necessary for effective entrepreneurship, should look into this and take the specific requirements and the potential of female entrepreneurs. The training modules should target the components in which the women entrepreneurs shown weakness.

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