

## **FACTORS INFLUENCING THE PERFORMANCE OF WOMEN ENTREPRENEURS**

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### **ABSTRACT**

Entrepreneurship has currently occupied an important place in the list of rewarding career options. In many nations across the world, there has been a significant growth in the level of female entrepreneurship and it has been estimated that women own and manage up to one third of all businesses in developed countries. The emergence of entrepreneurship is considered to be closely linked to social, cultural, religious and psychological variables and these changes seems to have become acceptable norms in the context of women at work and many more women participating in the economic development. Many factors like urbanization, technical progress, women education etc., have profoundly changed the traditional conditions. The level of Entrepreneurial activity among women increase as levels of education rise. The level of entrepreneurs who could serve as role models are increasing and they are encouraging other women to start their own business. The motivations for women to be entrepreneurs go beyond the established norms of making money, freedom from jobs, personal development and welfare. Most often it is the perceived opportunities in the changing environment, which is the driving force for entrepreneurship. The reason for starting business are as varied as their background; some out serious economic compulsions, some due to quitting of a job and accompanied frustration, using their leisure time, converting their past-times into lucrative activities, inspired by a new idea etc.

## I INTRODUCTION

### BACKGROUND OF THE STUDY

Women are the pillars of economic expansion in many developing states. Global entrepreneurship monitor (GEM) reports that women entrepreneurs generate jobs, wealth and innovation across 37 countries surveyed. In many of these countries the rate of growth of women creating new business is greater than the rate of growth for men entrepreneurs. Notwithstanding the intrinsic problems related to the growth of micro - scale businesses, women entrepreneurs are increasingly venturing into ownership of small-scale enterprises either on their own or in partnership with male entrepreneurs. This has been made possible primarily because of ease of entry, limited access to other enterprises and lack of employment opportunities in formal sector of the economy. In addition, given the expansion of entrepreneurship amongst women, understanding the social, cultural and economic factors influencing their success is of vital importance. Generally, women entrepreneurial ventures are smaller than that of their male counterparts in terms of sales, revenue and assets. Recent evidence from the United States suggests that on average men entrepreneurial ventures are twice as large as women entrepreneurial ventures in terms of both sales and assets. It has also been shown that on average employer-firms owned by women generate only 78 percent of the profits generated by comparable male owned businesses. Also, women have been found to generate less sales turnover relative to men, even in same industry comparisons. Self-employment has proved to be the magic bullet, to solve the ever increasing problem of unemployment, low pay and job insecurity. The current huge international interest in entrepreneurship as a magic bullet to end poverty reflects awareness of the success of large-scale initiatives in the developing countries. The small business sector is recognized as an integral component of economic development and a crucial element in the effort to lift countries out of poverty. It is worth examining the factors influencing the performance of women small and medium enterprises and finding solutions so that women can benefit more from their enterprises.

## 1.2 OBJECTIVES

- Assess the extent to which entrepreneurial training influence the performance of women entrepreneurial ventures.
- To determine whether business networking influence the performance of women entrepreneurial ventures.
- To determine whether financial accessibility influence the performance of women entrepreneurial ventures.

## 1.3 STATEMENT OF PROBLEM

There is a need to study women entrepreneurship separately for some reasons. The first reason is that women entrepreneurship has been acknowledged during the preceding decade as an important unexploited spring of economic growth. Businesswomen create jobs for themselves and others through providing society with different solutions to organization, management and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Therefore, there exists gender gap discriminating against women's prospect to become entrepreneurs and their opportunity to become successful entrepreneurs. This market breakdown against women needs to be sorted out by government and policy makers so that the economic possibility of this important group can be fully used. In order to effectively and efficiently address this topic, policy makers need more knowledge about women entrepreneurs. The aim of this study is to enhance knowledge about the causes of poor performance among women entrepreneurs. In addition, women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rate in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (teaching, primarily retail, and other service industries) chosen by businesswomen are often or have until just recently been perceived as being less important to economic development and growth than the high-technology and manufacturing. As an end result, gender parity between men and women from the perspective of entrepreneurship is still a nightmare. Women's entrepreneurship is mutually about women's place in society and the responsibility of entrepreneurship in the same society.

Women entrepreneurs are faced with precise obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.

## **II REVIEW OF LITERATURE**

### **THEORETICAL LITERATURE REVIEW**

#### **Entrepreneurial Networks**

The field of entrepreneurship has seen a remarkable increase in studies focusing on networks and relations. Given that networks provide business owners with access to business opportunities, markets, ideas, information, advice, and other resources. To a certain extent, entrepreneurs are dependent on their networks of personal relationships when making decisions solving and problems. The development of social capital is one consequence of networking which essentially consists of the “resources individuals obtain from knowing others, being part of a network with them, or merely being known to them and having a good reputation”. “Network activity is a process, taking place over time, a dynamic relationship that involves shifting; networking is a latent contact to manifest ties, transferring relationships to the entrepreneurial situation, identifying entrepreneurial requirements and locating an individual within the network who can help with the actual need. It also involves a two way process of give and take, a degree of exchange, the trading of information and resources but only when trust is established through knowledge and experience. On the other hand, offers three criteria to measure networking activities were: the size of the subset of people from the entrepreneur’s network who had been involved in founding the new organization (active network); the density of the entrepreneur’s network; and the frequency of communication within the network. State those networks are constituted from the constellation of dyadic, triadic and multiplex ties between members. Networks are some sort of intermediate form, located somewhere between markets and hierarchies, or are an entirely new form of organization. Similarly work on social bonds of trust and commitment between ties has shed considerable light on network interaction. The potential network partners can be other individual persons, e.g. family members, friends, business

partners, other founders, but also contact persons at institutions such as universities, large companies, and authorities.

## **EMPIRICAL STUDIES**

### **Entrepreneurial Training**

Women have limited access to vocational and technical training in the developing countries. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. Many African countries are characterized by low enrolment among women in education, high dropout rates and poor quality of education. This puts Tanzanian women entrepreneurs at a disadvantage compared to men. While the gender disparity in primary education has decreased since the introduction of free primary education, the gap remains large at the tertiary education levels. Adequate skills are very important for the growth of small and medium enterprises. Both formal and informal sector require practical skills which many women are lacking and these has led to stagnation of many business. Women responsibilities for child care are often cited as reasons for women low participation in skilled training and literacy programs which are essential for building management for female entrepreneur. In addition the curriculum does not emphasize entrepreneurship skills and therefore does not give women the requisite skills to venture into business.

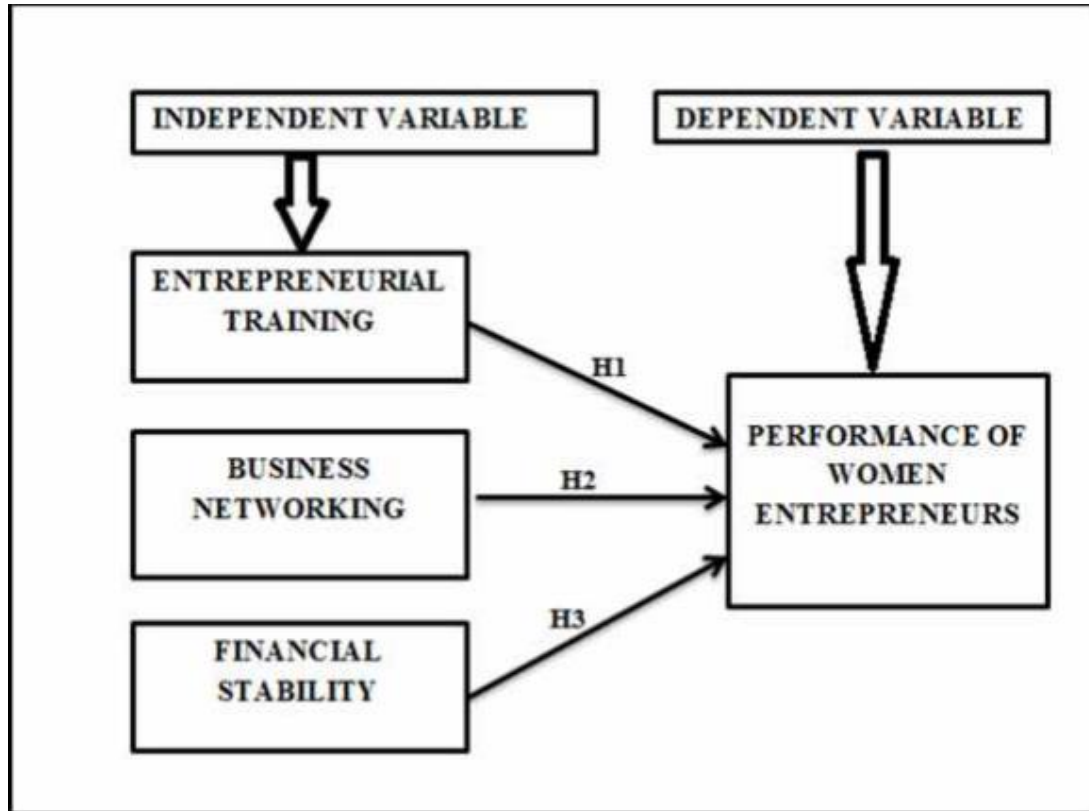
## **RESEARCH GAP**

Based on the above empirical literature, it was evident that a good number of researches similar to this study have been conducted in different places, with recommendations and suggested solutions. Most of the researchers could not find a study that specifically searches for solutions to the factors influences of performance of women entrepreneurs In Iringa Municipality. This study, therefore, aimed to address this gap.

## **CONCEPTUAL FRAMEWORK**

Conceptual framework it is a logically developed, described and elaborated network of association among variables that have been identified through such process as interviews, observations and the literature survey. Under this study researcher assessed the factors

influencing the performance of women entrepreneurs where independent variables are entrepreneurial training, business networking and financial accessibility, which affected dependent performance of women entrepreneurs.



## OPERATIONAL TERMS

### Entrepreneurial Training

An entrepreneurial training can be defined as a structure or layout of constructs that form the framework of an entrepreneurship training intervention. Entrepreneurial Training provides an alternate route to gainful employment for economically disadvantaged individuals through the establishment of their own business.

### Access to Networks

Entrepreneurial networks are social organizations offering different types of resources to start or improve entrepreneurial projects. Having adequate human resources is a key factor for entrepreneurial achievements. Combined with leadership, the entrepreneurial network is a social

network not only necessary to properly run the business or project, but also to differentiate the business from similar projects.

### **Financial Accessibility**

Access to finance is the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other risk management services. Those who involuntarily have no or only limited access to financial services are referred to as the unbanked or under banked, respectively.

## **III RESEARCH METHODOLOGY**

### **3.1 RESEARCH DESIGN**

Research designs refer to the master plan that is used in the study in order to answer the research questions. A descriptive survey research design was used in this study to assess the key factors that affect the performance of women entrepreneurs in Iringa Municipality. Descriptive study design deemed the best design to fulfill the objectives of the study since it enables to describe different factors that affect the performance of women entrepreneurs in business. A descriptive survey research seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitude, behavior or values.

### **3.2 AREA OF THE STUDY**

This study was conducted in Iringa Municipality. The reason for choosing this area is that it is very familiar and accessible to the researcher and was easy to get the information needed in data collection. Also the reason for choosing women entrepreneurs is that most of them are less aware of factors influencing their performance.

### **3.3 RESEARCH APPROACHES**

This study employed quantitative in the collection of relevant information. Qualitative approach was used in this study to collect experience and opinion toward the factors influences of performance of women entrepreneurs.

### 3.4 SAMPLE SIZE

The following table summarizes the total population in each sector and the corresponding sample which was taken from each sector.

<b>RESPONDENTS</b>	<b>POPULATION</b>	<b>SAMPLE</b>
Retail and wholesale shops	248	24
Hardware and construction	128	12
Food and beverages	1080	110
Textile	130	13
Services delivery	414	41
Total	2000	200

**Table3.1: The Targeted Sample Size**

### 3.5 DATA COLLECTION METHODS

Data are individual pieces of information. It is a set of values of qualitative or quantitative variables. The term data refers to the kind of information researchers obtain on the subject under study. Researchers used instruments to collect data and it is essential for a researcher to develop correct instruments since wrong data will led to wrong findings and conclusions.

## IV ANALYSIS AND INTERPRETATION

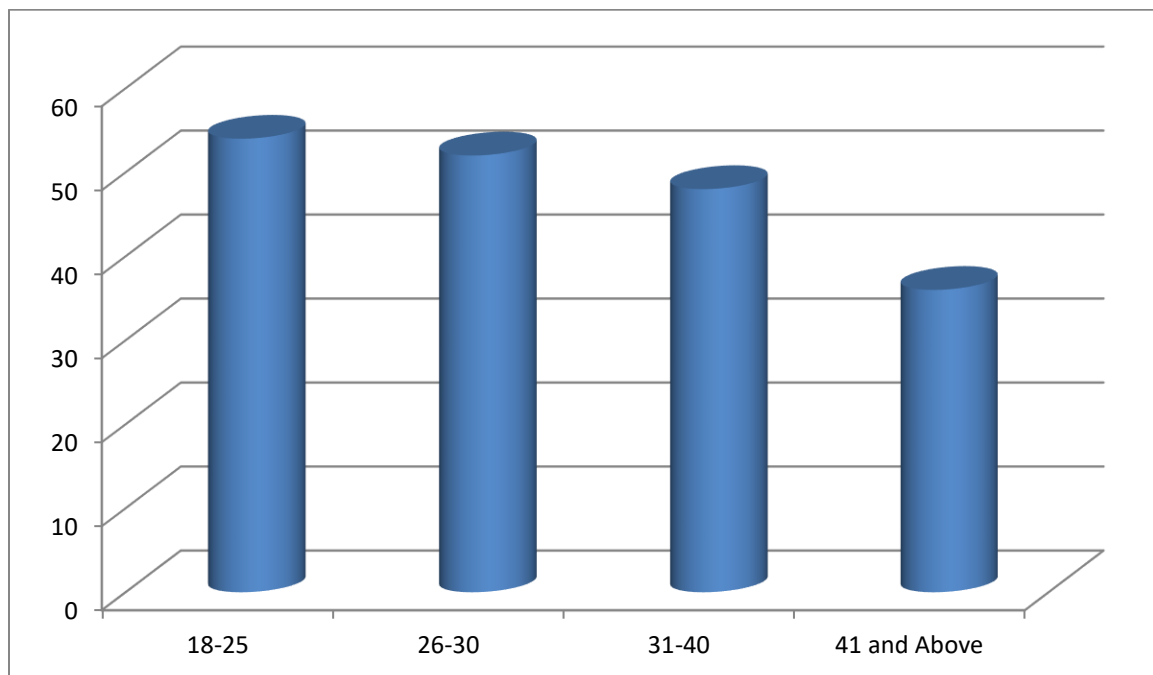
### 4.1 INTRODUCTION:

This chapter deals with the presentation of the research findings. The data obtained during the research by means of questionnaires are recorded correctly and being analyzed into tables. After analysis the same data are interpreted into simple forms of percentage as responded by the respondents.



**TABLE 4.2 RESPONDERS AGE**

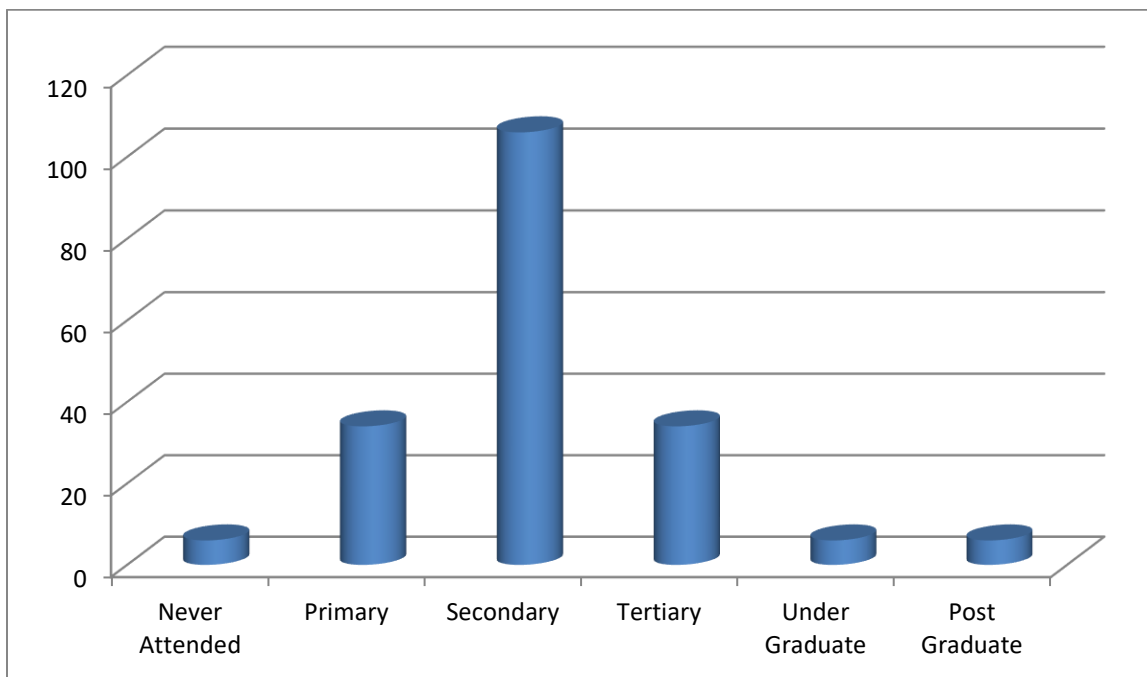
Age	Frequency	Percentage
18-25	54	24
26-30	52	26
31-40	48	24
41 and above	36	23

**Figure 4.1 RESPONDERS AGE**

In respect to Table 4.2, 27% of the respondents were aged between 18-25 years, followed by 26% of the respondents aged between 26-30 years, the least with 24% were respondents aged between 31-40 years. Only 23% of respondents were 41 years and above. This indicated that all age group were distributed fairly.

**TABLE 4.3. EDUCATION OF RESPONDENTS**

Education	Frequency	Percentage
Never Attended	6	3
Primary	34	17
Secondary	106	53
Tertiary	34	17
Under Graduate	6	3
Post Graduate	6	3



**Figure 4.2. EDUCATION OF RESPONDENTS**

Table 4.3 clearly revealed that most of the respondents pursued up to Secondary level constituting of 53%. There were 7% respondents with post graduate and 3% undergraduate. 17% had completed tertiary level with 17% having primary as the highest education level attained. It is only 3% of the respondents who never attended school. This confirms previous study that women’s education levels are wanting. This is because only 17.2% have tertiary education.

**TABLE 4.4 MARITAL STATUSES**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage</b>
Single	64	32
Married	96	48
Widow	12	6
Divorced	28	14

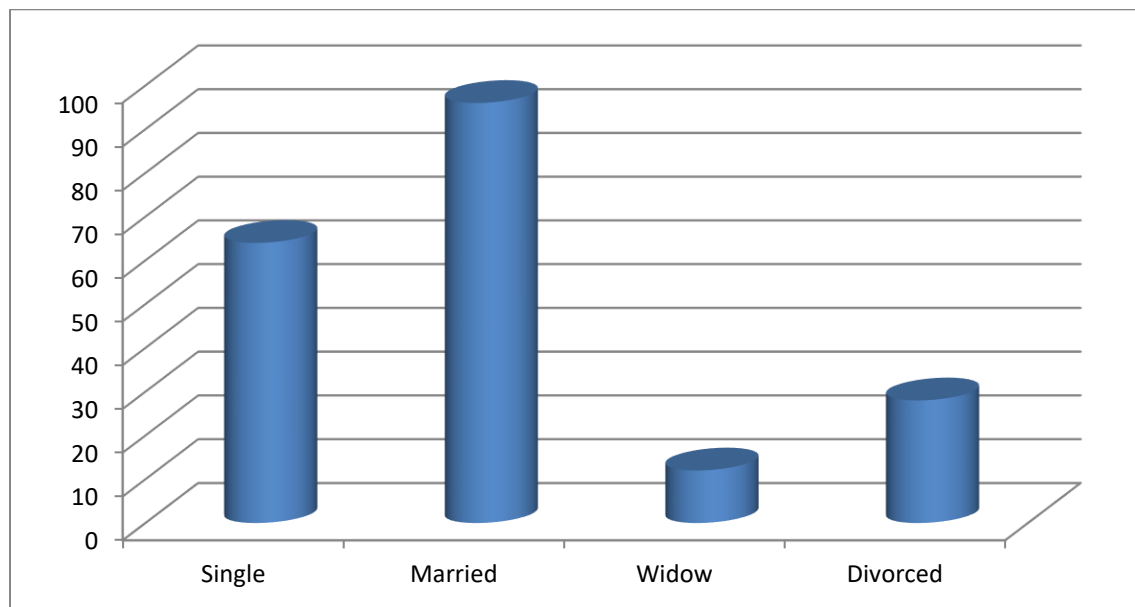
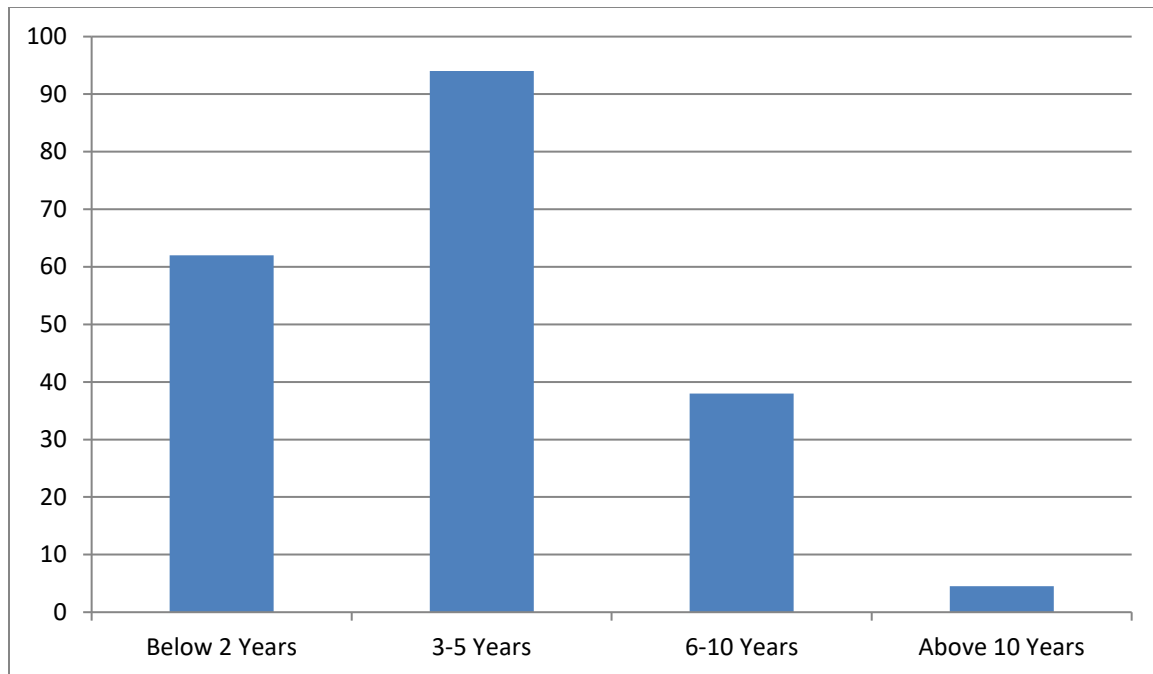
**Figure 4.3 MARITAL STATUSES**

Table 4.4 shows the marital status of the respondents. Majority of the respondents 48% were married. This could be one of the factors that influencing the performance of women SMEs.

**TABLE 4.5 BUSINESS OPERATIONS**

<b>Business operation</b>	<b>Frequency</b>	<b>Percentage</b>
Below 2 Years	62	31
3-5 Years	94	47
6-10 Years	38	19
Above 10 Years	6	3



**Figure 4.4 BUSINESS OPERATIONS**

A further examination of the length of time the business has been in existence revealed that 47% of the businesses have existed for 3-5 years of less. It is therefore evident that majority of the women in SMEs in Iringa Municipality were in business for a period between 3 to 5 years.

## **V SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

#### **INTRODUCTION**

This chapter presents the summary, conclusion and recommendations of the study on the factors influencing the performance of women entrepreneurs: a case of Iringa municipality. It presents a summary of major findings according to specific objectives, the implications of these findings, limitation of the study, conclusions and finally recommendations, specifying recommendations for action and for further studies.

## **5.2 SUMMARY**

The Main purpose of this study was to determine the factors influencing the performance of women entrepreneurs at Iringa municipality. The study assessed the extent to which entrepreneurial training influence the performance of women entrepreneurial ventures, also determined whether business networking influence the performance of women entrepreneurial ventures. Moreover the study determined whether financial accessibility influence the performance of women entrepreneurial ventures. The study employed quantitative and qualitative approaches, informed by descriptive survey research design. Stratified sampling technique was employed to obtain the respondents. Mainly the respondents were women who work in Retail and wholesale shops, Hardware and construction, Food and beverages, Textile and Services delivery. The sample comprised of 200 respondents. Data was collected through questionnaires. The quantitative data were processed with the help of Statistical Package for Social Science (SPSS) software program version 22 and were summarized in tables of frequencies percentages, correlations and charts.

## **5.3 CONCLUSION**

The study concludes that entrepreneurial training, business networking and financial accessibility are the main units to influence the performance of women entrepreneurial ventures. Since large number of respondents agreed that Entrepreneurial training aids developing the workforce multipurpose character also respondents declared that through training women entrepreneur's performances increase. Also training gives better knowledge of the firm's culture and objectives while business networking support has a positive influence on the growth of women enterprises and women entrepreneurs perform better in their businesses when they are in business networks. Lending conditions and interest rate charged by banks act as inspiration on the growth of women entrepreneurs businesses. Moreover women entrepreneurs perform better in their businesses when they have financial accessibility.

## **5.4 RECOMMENDATIONS**

A similar study could be carried out in other counties to find out whether the same results will be obtained. Further research should be carried in these areas:

- The factors that influence the performance of businesses owned by male entrepreneurs. This study will provide further insight into the unique privileges and challenges that are faced by men in entrepreneurship.
- The factors that influence the performance of businesses run by young people. This will give more details on how to drive more youth into entrepreneurship and how to ensure that these businesses survive.
- Challenges facing youth and female entrepreneurs in Tanzania. The youth and female entrepreneurs continue to face numerous challenges despite the current initiatives. This study will study these challenges in details and recommend effective solutions.
- Effect of government policies on performance of start-ups in Tanzania. This study should take a look at the legal and administrative environment in which entrepreneurs have to operate and thrive in.

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