

Indian Women Entrepreneurs: Motivations, Success Factors and Firm's Performance

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Abstract: There are numerous studies already been undertaken on women entrepreneur's problems, prospects, empowerment and motivational factors. But, very little research work are available on the effect of such factors on their firm's performance. This study, therefore proved different as it was conducted in the micro industry context that too specifically women business owners in the service sector which was almost been a neglected area of research. The study concentrated on the Indian women entrepreneurs who are about to challenge the international market in the near future and thus, made it a great inspiration for further research directions and policy making. The data was analyzed using IBM SPSS 21 statistical package and the analysis showed that the perceived financial performance of the firms were predicted by motivational and success factors of the entrepreneurs and that the achievement motive of the women entrepreneurs had played a major role in pulling them for business.

Key words: Women entrepreneurs, motivation, firm's performance, success factors, India

INTRODUCTION

Entrepreneurial qualities of women have been acknowledged, as an essential source of economic growth in India. Women entrepreneurs make new jobs for themselves and others and also offer society with many different solutions to management and business problems. In India though, they still represent a minority of all entrepreneurs, women entrepreneurs frequently face many problems and gender based barriers like cultural practices, heritage laws and marital problems, lack of motivation and successive factors, lack of financial accessibility, limited mobility and access to information to starting and growing their business (Brindley, 2005). Women entrepreneurs can make a powerful role to the economic well-being of the family and their communities, reduction of poverty and empowering women. Thus, government of India and various development organizations are actively concentrating encouragement of women entrepreneurs through various motivational schemes, training and promotional measures. Women entrepreneurs have become significant in the entrepreneurial landscape (Pages, 2005). Now, women have taken up entrepreneurial role in order to make a meaning for themselves. The usual roles of Indian housewives are steadily changing into women entrepreneurs. Some of the factors accountable for these

changes are better education, changing socio cultural values, motivational and success factors and need for extra income. When proper experience, education, motivation and entrepreneurial behavior are instructed to them, Indian women will show themselves to be highly possible dynamic force for the development of the country. While, numerous investigations have dealt with entrepreneurial orientations and firm's performance, very less studies have been there investigating motivational and successive factors. Having this in mind, the research problem in this analysis is linked with questioning the motivational and success factors of entrepreneurs in a developing firm's performance.

For the last few decades, many researchers have studied the motivation and reasons for men to start their own business venture (Shane *et al.*, 1991; Birley and Westhead, 1990). Nguyen (2005), study dealt with some factors that forced women to leave their corporate jobs and other house hold activities to become entrepreneurs. Some researchers have studied the restrictions and boundaries faced by women and when they decided to start up their own venture, etc. (Chandralekha *et al.*, 1995; Gundry *et al.*, 2002; Wim, 2005). Most of the women started their own business to afford better balanced life. All the way through incessant struggles, there had been lot of stories of the successful women entrepreneurs who made it big in the real business world

(Nguyen, 2005). Thus, it is time to make out what factors manipulate and influence women entrepreneurs success in India.

According to the Buttner and Moore (1997)'s study, a firm's performance was generally considered from the financial viewpoint of growth in sales/service or by the increase in incomes. Many women have defined business performance and success from economic view point. Performance of the women entrepreneurs in small firms had different kind of contributing success factors like good managerial quality, interpersonal qualities, satisfactory government support and support from family and friends (Attahir, 1995).

Fascinatingly positive frame of mind helps women entrepreneurs to be successful in any business (Rogers, 1980). Interestingly, socially created boundaries were accountable for restraining women's progress in business (Fielden and Dawe, 2004). Chay (1993)'s study revealed that social support and skills powerfully tied in the business world did help women entrepreneurs in achieving better performance in their business.

Findings from a study by Nafziger (1969), indicated that internal motivation was another set of important factors that could be contributed to increase the business performance. Sandberg (1986)'s study indicated that need for accomplishment and locus of control also influences the business performance. Smith *et al.* (1987)'s study revealed a significant relation between entrepreneur's motivation and growth. Swierczek and Thai (2003), research findings concluded that motivation of the entrepreneurs was positively correlated with entrepreneurial orientation and also that entrepreneurs were mostly motivated by challenge and achievement than the economic security and career.

Robichaud *et al.* (2001)'s research tried to reveal the determinants of motivation categories that lead to business success and their studies showed that motivation of women entrepreneurs fell into different categories like independence, essential rewards and security. And that, those factors decided the motivation level of entrepreneurs which in turn affected their business performance. Entrepreneurs in India were strongly motivated by the need for autonomy and then to increase their profit (Benzing and Chu, 2005). Increased income and better job opportunity for themselves were the strongest motivational factors that motivated to start their own business (Chu *et al.*, 2007). Some other psychological factors, such as feeling independence, creative and innovative directions, approach toward taking risk and a spirited nature were significantly related with success of the business (Frese *et al.*, 2002) and that they were significantly depended upon the different and difficult business environment.

Chu *et al.* (2011)'s study results indicated that increasing profit becoming their own boss and to prove

that they can succeed were the most important reasons for business start. Reputation for honesty, providing good customer services and having good management skills were reported to be success factors for business success. Friendliness to customers and hard work were also important for high-performance firms. Considering that entrepreneurs are very important for the development of economies in which they function their businesses, understanding their motivational and success factors is a very important topic.

Objective of the study: The ultimate aim of this research is to examine various motivators and success factors in women owned beauty parlors and related them to the firm's performance and success of the Indian women entrepreneurs.

MATERIALS AND METHODS

Total of 506 beauty parlors owned by women entrepreneurs in Madurai, South India were randomly selected for a survey which analyzed to determine motivations, success factors and their firms performance. The study employed a structured questionnaire survey approach to collect data and all the independent and dependent variables required 5-point Likert scale responses ranging from strongly disagree to strongly agree. Variables in the questionnaire included background information for the entrepreneurs, motivational factors (12 items), success factors (17 items) and performance of the firm (14 items). Stratified random sampling method was used for sampling and researchers distributed 560 questionnaires to the owners of the parlor. Of the 560 questionnaires distributed, 509 responses were received (90.5% response rate) and 3 of them were incomplete. The remaining 506 were valid and they were used for the quantitative analysis.

The 3 different dimensions were adopted to study the performance of the firm, consisting of financial, non-financial and individual performance. The financial performance measures included increase in return on investment, sales volume, number of employees and firm's size in terms of space and equipments. Reduction in complaints, increased customer retention, employee commitment, popularity of the firm and innovated products and services were considered as non-financial measures (Dess and Robinson, 1984) and the increase in income, savings, their ability to balance between family and business, self-confidence and status were measured for individual performance (Rosa *et al.*, 1996). All these variables were gathered using 5-point Likert scale items. The 2 different dimensions were

adopted for studying the motivation factors of the women entrepreneurs which included the push and pull factors. Push motivational measures included statements like I had to choose this due to my jobless situation, I had greater need for money, I did not know anything other than this business, I was compelled to do this business, since my qualification is in beautification, I have taken this business and this business is easy to do for me. I always urged for independence and freedom of doing things, I wanted to achieve greater things in my life and my personal satisfaction, I wanted to do things different from others, I found opportunity in the market and chances for growth, I wanted to do challenging and non boring jobs and I strongly reject stereotypical feminine identities were the variables which were considered as pull motivational factors. Success factors were 6 different dimensions like position in society, interpersonal skills, approval and support, competitive product/service, leadership skills always to be informed and business reputation (Stefanovic *et al.*, 2010).

IBM SPSS 21 statistical package was used to analyze the obtained data. The reliability of the survey instrument was acceptable since the Cronbach's alphas were relatively high for the motivation, success and performance factors. The alphas for the motivation, success and performance factors items were 0.729, 0.824 and 0.746, respectively.

RESULTS

Reliability for each factors were measured using Cronbach alphas measures. Both measures of reliability were more than the suggested minimum standard of 0.60 (Baker *et al.*, 2002; Nunnally, 1978). For all motivation, performance and success factors, the measures of reliability were above 0.60 (Table 1). Earlier summarizes all measurement items, Cronbach alphas and their scales for all the items.

From the inter correlation results (Table 1), it can be concluded that the push and pull motivational factors had

strong positive relation with financial, non-financial and individual performance of the beauty parlor. Position in society, interpersonal skills, approval and support, competitive product/service, leadership skills always to be informed and business reputation success factors had strong positive relation with financial, non-financial and individual performance of the beauty parlor which were significant at 0.01 level.

Descriptive statistics (Table 2) result showed that push motivational factors (mean = 3.92) were the top ranked motivational factors than pull motivational factors (mean = 3.72). Among success factors, leadership skills of the entrepreneur (mean = 3.84), approval and support from the friends and family, always to be informed and business reputation (mean = 3.75) were the top ranked factors. In performance factors, perceived financial performance of the company was the top ranked factors with mean value of 4.04.

The multiple regressions were applied to analyze the motivational and success factors as independent variables against a separate measure of performance of beauty parlors which was the dependent variable. The items were summed up to reproduce the 8 dimensions which were analyzed separately against the different levels of beauty parlors performance.

The ANOVA result showed F-ratio for the regression model which indicated statistical significance of the regression model. The p-value associated with this F-value (financial performance F = 204.19, non-financial performance F = 16.35 and individual performance F = 25.19) were very small. The significant value of the F-statistic was <0.05. So the group of variables, motivational and success factors could be used to reliably predict the different perceived performance of the beauty parlors. From Table 3, R² values indicating the perceived financial performance of the beauty parlors were 77% predicted by motivational and success factors. Push motivational factors, success factors like position in society, interpersonal skills, approval and

Table 1: Reliability and inter correlations motivational, success and performance factors

| Variables | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | α-value |
|-----------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| PULL | 1 | 0.65* | 0.67* | 0.89* | 0.97* | 0.90* | 0.70* | 0.84* | 0.67* | 0.33* | 0.40* | 0.75 |
| PUSH | | 1 | 0.48* | 0.50* | 0.61* | 0.67* | 0.67* | 0.62* | 0.80* | 0.65* | 0.66* | 0.77 |
| PS | | | 1 | 0.72* | 0.67* | 0.50* | 0.51* | 0.66* | 0.33* | 0.88* | 0.67* | 0.83 |
| IPS | | | | 1 | 0.87* | 0.78* | 0.64* | 0.70* | 0.46* | 0.53* | 0.79* | 0.73 |
| AS | | | | | 1 | 0.80* | 0.65* | 0.81* | 0.67* | 0.33* | 0.57* | 0.64 |
| CPS | | | | | | 1 | 0.71* | 0.70* | 0.63* | 0.67* | 0.71* | 0.68 |
| LS | | | | | | | 1 | 0.68* | 0.50* | 0.53* | 0.76* | 0.56 |
| AI and BR | | | | | | | | 1 | 0.60* | 0.63* | 0.89* | 0.64 |
| FP | | | | | | | | | 1 | 0.72* | 0.66* | 0.83 |
| NFP | | | | | | | | | | 1 | 0.54* | 0.77 |
| IP | | | | | | | | | | | 1 | 0.80 |

*Correlation is significant at the 0.01 level (2-tailed); Pull = Pull factors; Push = Push factors; PS = Position in Society; IPS = Interpersonal Skills; AS = Approval and Support; CPS = Competitive Product/Service; LS = Leadership Skills; AI and BR = Always to be Informed and Business Reputation; FP = Financial Performance; NFP = Non-Financial Performance; IP = Individual Performance

Table 2: Descriptive statistics for motivational, success and performance factors

| Factors | Variables | Mean value |
|---------------------------------------|---|------------|
| Motivational factors (12 items) | Pull factors | 3.72 |
| | Push factors | 3.92 |
| Success factors (17 items) | Position in society | 3.62 |
| | Interpersonal skills | 3.48 |
| | Approval and support | 3.75 |
| | Competitive product/service | 3.68 |
| | Leadership skills | 3.84 |
| Performance of the firm (14 items) | Always to be informed and business reputation | 3.75 |
| | Financial performance | 4.04 |
| | Non-financial performance | 3.37 |
| | Individual performance | 3.26 |

Table 3: Regression analysis for performance factors

| Variables | Financial performance | | Non-financial performance | | Individual performance | |
|---|-----------------------|---------|---------------------------|---------|------------------------|---------|
| | B | t | B | t | B | t |
| Constant | - | 5.95** | - | 19.31** | - | 18.26** |
| Pull factors | 0.370 | 1.58 | -0.750 | -1.74 | 0.450 | 1.09 |
| Push factors | 0.700 | 20.20** | 0.140 | 2.23** | 0.100 | 1.68 |
| Position in society | -0.220 | -6.10** | 0.000 | 0.03 | 0.100 | 1.63 |
| Interpersonal skills | -0.290 | -5.27** | -0.460 | -4.57** | -0.640 | -6.80** |
| Approval and support | 0.430 | 2.98** | 0.380 | 1.42 | -0.040 | -0.16 |
| Competitive product/service | -0.070 | -0.75 | 0.220 | 1.24 | -0.220 | -1.33 |
| Leadership skills | -0.190 | -5.30** | 0.130 | 2.05** | -0.260 | -4.27** |
| Always to be informed and business reputation | 0.040 | 0.72 | 0.090 | 0.98 | 0.020 | 0.26 |
| F | 204.190 | | 16.350 | | 25.190 | |
| R | 0.876 | | 0.456 | | 0.537 | |
| R ² | 0.767 | | 0.208 | | 0.289 | |
| Adjusted R ² | 0.763 | | 0.196 | | 0.277 | |

**Significance at 0.05 levels

support for family and friends and leadership skills were the significant predictors of the perceived financial performance of the beauty parlors. Perceived non-financial performance of the beauty parlors were 21% predicted by motivational and success factors. Push motivational factors, success factors like interpersonal skills and leadership skills were the significant predictors of the perceived non-financial performance of the beauty parlors. Individual performance of the women entrepreneurs were 29% predicted by significant success factors like leadership and interpersonal skills.

Table 4 shows that 46% of the women entrepreneurs were 26-35 years old, 45.3% of the entrepreneurs were married and 47.8% of the women entrepreneurs were having <5 years experience in beauty parlors, most of the women entrepreneurs were specialized in hair care and styling (38.9%) and bridal makeup (28.7%). Maximum women entrepreneurs (53%) were having under graduation level qualification, 70.2% women entrepreneurs have done certification courses in beautician field. Students (51.2%) were the most frequently visiting customers, husband/father and

Table 4: Demographic profiles of women entrepreneurs

| Demographics | Options | Frequency | Percent | |
|------------------------|-----------------------|--------------|---------|------|
| Age (years) | <25 | 76 | 15.0 | |
| | 26-35 | 233 | 46.0 | |
| | 36-45 | 180 | 35.6 | |
| | >45 | 17 | 3.4 | |
| Marital status | Married | 229 | 45.3 | |
| | Single | 205 | 40.5 | |
| | Divorced | 44 | 8.7 | |
| | Widow | 28 | 5.5 | |
| Experience (years) | <5 | 242 | 47.8 | |
| | 5-10 | 175 | 34.6 | |
| | >10 | 89 | 17.6 | |
| Specialization | Aroma therapist | 35 | 6.9 | |
| | Hair care and styling | 197 | 38.9 | |
| | Pedicurist | 39 | 7.7 | |
| | Manicurist | 12 | 2.4 | |
| | Massaging | 25 | 4.9 | |
| | Complete skin care | 53 | 10.5 | |
| | Bridal makeup | 145 | 28.7 | |
| | Level of education | School level | 113 | 22.3 |
| | | UG level | 268 | 53.0 |
| | | PG level | 125 | 24.7 |
| Technical education | Certificate course | 355 | 70.2 | |
| | Diploma course | 70 | 13.8 | |
| | UG degree | 24 | 4.7 | |
| Type of customers | PG degree | 57 | 11.3 | |
| | Students | 259 | 51.2 | |
| | Working women | 156 | 30.8 | |
| | House wives | 52 | 10.3 | |
| | Professionals | 20 | 4.0 | |
| Motivating factors | Higher officials | 19 | 3.8 | |
| | Government | 38 | 7.5 | |
| | Husband/Father | 181 | 35.8 | |
| | In-laws | 164 | 32.4 | |
| Monthly earnings (Rs.) | Friends | 123 | 24.3 | |
| | <5000 | 249 | 49.2 | |
| | 5001-10000 | 172 | 34.0 | |
| | 10001-15000 | 51 | 10.1 | |
| | >15000 | 34 | 6.7 | |
| Total | | 506 | 100.0 | |

in law were the motivational factors for starting beauty parlors to the women entrepreneurs and 49.2% women entrepreneurs were getting only <Rs. 5000 every month.

DISCUSSION

In this particular business field, qualification of the women entrepreneur was also vital pushing factor to start the beauty parlors. Achieving greatest things, personal satisfaction (Blanchflower and Oswald,1998), high degree of opportunities in market, urge for freedom and independence were some important pulling factors for women entrepreneurs to start their own businesses (Frese *et al.*, 2002). In India, pushing motivational factors were prevailing than pulling motivational factors. Change on business motives would almost certainly increase the performance of the beauty parlors. But, this modification has to be directed not to be modifying current motives. Based on the 6 successive factors resulted from Stefanovic *et al.* (2010), study was

also contributing for beauty parlors success like position in society, interpersonal skills, approval and support, competitive product/service, leadership skills always to be informed and business reputation which would help to increasing performance.

For developing countries like India in the economical evolution, lack of motivation and success factor can be simply understood. Government has to more actively support entrepreneurs particularly, women entrepreneurs. This can be done by institutionalization and creating supporting environment for women entrepreneurs all the way through motivational and success stimulating activities.

CONCLUSION

The findings related to the objectives revealed that the correlation between the motivational and successive factors were strong, positive and significant. The finding of the study was directly reliable with the results of Kuratko *et al.* (1997) and it concluded that motivational factors would lead to entrepreneur's success. The multiple regressions showed that perceived financial performance of the beauty parlors was predicted by motivational and success factors and the findings were directly consistent with the results of Benzing *et al.* (2005a, b). Based on the push and pull motivational factors and their research findings, it was concluded that motivational factors were basic in developing performance of the firm. From the different research results supported, it was found that to having great deal of money and increase the profit was the most important reason that was pulling the women for entrepreneurs choice to own a business.

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