

Factors Affecting the Growth of Women-Owned "Traditionally Feminine Businesses"

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ABSTRACT. *The number of women starting and owning businesses has grown noticeably during the past decade. Most of such businesses are restricted to "traditionally feminine" areas such as handicrafts, needlework, food processing and beauty culture etc. Majority of such businesswomen operate at the micro level while only a minority has been able to successfully develop their businesses to the macro level. In contrast, the number of male business operators who successfully run traditionally feminine businesses at macro level is relatively higher than that of their female counterparts. This raises the research question as to what prevents females successfully reaching the macro level. The objective of the study is to investigate the factors affecting the growth of women-owned traditionally feminine businesses from micro to macro level.*

The study was conducted in two stages. In stage one, a case study strategy was adopted to get a better understanding of the subject being studied. Fifteen women business operators who were engaged in traditionally feminine businesses, registered at the Central Province Women's Chamber of Small Industries and Commerce were included in the sample. Multiple data collection methods were adopted to collect data. Generalization of the findings of the first stage to a wider population was examined through the second stage of the study, which was a questionnaire survey. The main factors affecting the growth of women-owned businesses were found to be male dominated, dual role stress, lack of spouse's involvement in the business, restrictions on venturing out, social taboos, and poor utilization of social networks. The implications should necessarily view the women-owned businesses as a system of cooperative relationships and different training approaches are important to upgrade the women business operators in the country.

INTRODUCTION

In general, women undertake economic activities within their domestic environment, which combine their tasks around the house and care for the children. As a result, womens' economic activities often remained small-scale and informal, and using little investments (Chen, 1996). Majority of women business operators have been mostly concentrated in three sub sectors, namely, food processing, garments and handicrafts. Most

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of the time they excel in the businesses as micro level enterprises. These micro enterprises have a long history where the skills have been handed over from mother to daughter (Kodithuwakku and Perera, 2003) and girls usually acquire those skills even at school by opting to study home economics. However, only a few of them have been able to develop their home-based industries to the macro level and excel as successful women entrepreneurs. On the other hand the number of male business operators who successfully run traditionally feminine businesses are relatively higher than that of their female counterparts. This addresses an important issue related to development of women entrepreneurs. Hence this study proposes to investigate the factors affecting the growth of women-owned traditionally feminine businesses from micro to macro level.

THEORETICAL FRAMEWORK

There are unexplained gender-based differences between male and female business owners. According to Brush (1992), the 'Integrated Perspective' offers a basis for interpreting these unexplained gender-based differences by submitting that women's social orientations are more focused on relationships and women view their businesses as an interconnected system of relationships rather than a separate economic unit in the social world. In view of this, Brush (1992) states that women business owners are at the center of a network of various relationships that include family, community and business.

With regard to the relationship between women entrepreneurs and the business venture/s, there is a crossover between the business and personal dimension of life. Comparable to male-owned businesses, women most often choose sole proprietorships as the preferred form of business structure (Brush, 1992). Marlow and Strange (1994) argue, business proprietorship can be a means to escape from domination by males in both employment and private life. Women are more likely to measure their own business success in terms of personal autonomy than in terms of profit and employment growth (Baines and Wheelock, 1998). They are motivated to create or own their own businesses out of a desire to have flexibility in their work and family (Brush, 1992).

When examining the relationship between women entrepreneurs and the community, Kantor (2002) reveals that they are less likely than men to have access to information about markets and non-governmental organizations or government schemes in support of micro enterprise development due to restrictions on women's freedom of movement in the public sphere. At the same time she argues that women may become involved in market relations of convenience due to their limited mobility, and not able to access the best markets for inputs or final good sales. Hence networking as a means of obtaining information and resources, identifying opportunities, acquiring resources is crucial for the development of the business. Social conditioning and gender role stereotyping has led to the perception that 'venture out' is a male privilege (Shaheed, 1989; Dionisio, 1993; Agarwal, 1994; Wijayatilake, 1999). The gendered socialization process and the internalization of negative social norms by women often shifts the development of initiative, self confidence and other related personality attributes that activate dynamic entrepreneurship (Sitterly, 1994).

Recent studies on relationship between women entrepreneurs and their family highlighted that most women business owners refuse to sacrifice their personal life to

business, giving emphasis to the interconnection between work and family (Brush, 1992). Women's dual duty can reduce their energy levels and concentration when performing both types of work, having detrimental effects on time in work, productivity and earnings (Kantor, 2002). According to Brush (1992), women business owners tend to have many business supporters and in particular, spouse seems to be an important factor for the success of women business owners. Hence family support could certainly enhance the chances of business survival (Bains and Wheelock, 1998).

Research hypotheses

Based on the reviewed literature, it can be hypothesized that within the existing cultural context (a) male domination, (b) dual role stress, (c) lack of spouse's involvement in the business, (d) restrictions on venturing out, (e) negative social beliefs on individual's role as a business woman and (f) poor utilization of social net works act as barriers in the growth of women-owned traditionally feminine businesses from the micro to macro level.

METHODOLOGY

Research design

The research comprised of two stages. In stage one, a 'case study approach' was adopted. Findings of stage one were generalized to a wider population in stage two using a questionnaire survey.

Case study approach

The case study approach was selected as it enables extensive examination of a single instance of a phenomenon of interest. It focuses on understanding the dynamics present within a particular context (Bonoma, 1985; Eisenhardt, 1989; Hartley, 1994; Yin, 1994). Multiple data collection methods (Yin, 1994) such as brief informal interviews, in-depth interviews and direct observations were adopted to facilitate triangulation, to get a broader picture of the business under study and to maintain the validity and reliability of data collected (Easterby-Smith *et al.*, 1991). Case Studies were conducted in Kandy district. Fifteen women business operators engaged in traditionally feminine businesses, in rural and urban areas who were registered at the Central Province Women's Chamber of Small Industries and Commerce (CPWCIC) were included in the sample using 'Snowball Sampling' method. Based on a topic guides interviews were conducted and data were summarized in contact summary sheets. Data collected were analyzed in three stages, namely, within case analysis, cross case analysis and comparison of findings with reviewed literature. A rating scale (Table 1) was developed to categorize the women business operators as micro level (total score 1-16), medium level (total score 17-21) and macro level (total score 22-30).

Table 1. Variables of the rating scale and points allocated

<i>Variables -Rating scale</i>	<i>Points</i>				
	1	2	3	4	5
a) Net Profit/month (Rs.)	No profits	< 5000	5000-20000	20000-50000	>50000
b) Number of employees	Only one	<5	6-10	11-15	>15
c) Markets	Only to neighboring villagers and towns	Limited to Kandy district	To the local market (Kandy + other districts)	To the local market & export market	
d) Width of the product mix	1	2	3-4	5-9	>10
e) Use of new technology /sophisticated equipment	Not at all	Little	High		
f) Goods-prices/service charges	Below average	average	Above average		
g) Profile/Image	Very low				Very high

Quantitative study

Findings of stage one were generalized to a wider population in the second stage of the study. A structured questionnaire incorporating the main findings of the first stage of the study was used to collect data in order to identify whether the findings could be generalized to the wider population. The identified socio-cultural factors were tested for significance using the Chi-Square statistics along with the descriptive statistics.

The study population for the quantitative study was comprised of women business operators who were registered at Women's Chamber of Small Industries and Commerce (WCIC) in Kandy and Colombo districts, who were married and having children and engaged in traditionally feminine businesses. Stratified Random Sampling was adopted and a sample of 60 women business operators was selected. Following performance indicators (Kodithuwakku and Perera, 2003) were used to identify the categories correctly from the population of interest.

- Indicator 1: Number of employees both currently and at commencement.
 Indicator 2: Number of units produced/customers serviced both currently and at beginning, per day
 Indicator 3: Number of goods/services produced both currently and at commencement

$$\text{Indicator 1 Growth} = \frac{\text{No. of employees at present} - \text{No. of employees at the beginning}}{\text{No. of employees at the beginning}} \times 100 \dots I_1$$

Similar indices were made for indicators 2 and 3.

$$\text{Overall Growth} = (I_1 + I_2 + I_3) / 3$$

The overall growth and the different categories of women business operators are depicted in Table 2.

Table 2. The overall growth and the different categories of women business operators

Micro level	Medium level	Macro level
< 200%	200-600%	> 600%
21	23	16

RESULTS AND DISCUSSION

Findings of the study revealed that the women business owners who engaged in traditionally feminine businesses confront barriers, which are mainly due to the existing cultural context. These constraints include male domination, dual role stress, lack of spouse's involvement in the business, restrictions on venturing out, negative social believes on individual's role as a business woman and poor utilization of social networks.

Male domination

The cases examined during the stage one of the study revealed that the extent of women's control over the use of enterprise resources, her involvement in decision making and the degree of interference from the male community in the market place reflect whether she is confronting the issue of male domination. A points scale was developed to measure male domination and points were allocated depending on the degree of agreement and disagreement on the statements related to male domination. The aggregated value (very low – points 7 - 8, low – points 5 -7, average – points 3 - 4, high – points 1 - 2 very high – 0) was considered as the indication of degree of male domination. In supporting the issue of male domination discussed by Marlow and Strange (1994), the study revealed that women business owners who had the freedom of making decisions within the household, as well as in control of enterprise resources, without any interference from their husbands showed a significant growth of their businesses to macro level (Figure 1).

Among the micro level women business operators, 43% had husbands who always interfered were not supportive and were not giving freedom to make decisions related to household matters as well as in control of enterprise resources. About 39% of micro level women business operators had freedom to make decisions in relation to business aspects but they were reluctant to do so as their husbands sometimes interfered and were not supportive when they proceeded with their decisions. This was identified as a cultural factor which values the norm of female social dependence on men. Among macro level women business

operators, 62% get support from their husbands in making decisions related to household and business aspects and the rest (37%) do not get support from their husbands. But they do not interfere on decisions taken by their wives. This enabled them to come up with innovative and creative ideas which help to grow their businesses to macro level. Hence male domination in decision making within the household as well as in control of enterprise resources is a significant factor which hinders the development of women owned traditionally feminine businesses to the macro level (Table 3).

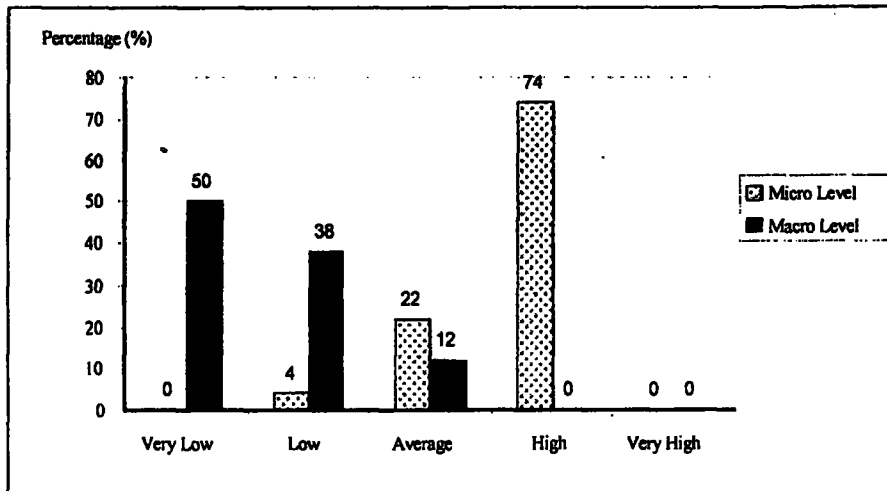


Fig. 1. Male domination on micro and macro level women business operators

Table 3. Hypothesis testing: male domination

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Male domination	17.87	0.001	Rejected

Male domination in the market place

Women business operators confront problems in the market place with regard to attracting customers, obtaining raw materials as well as in getting assistance to develop their businesses. The study revealed that males act as middlemen in their spheres of business operations and they also had to compete with male counterparts in every aspect of the business. Therefore, women business operators could not reap the utmost benefit from their business operations. Majority (81%) of macro scale women business operators were successful in overcoming the above constraints through capitalizing upon their social contacts. The results of hypothesis testing revealed that male domination in the market place act as a barrier in developing women owned traditionally feminine businesses from micro to macro level (Table 4).

Table 4. Hypothesis testing: male domination in the market place

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Male domination in the market place	8.29	0.016	Rejected

Dual role stress

Women start their own businesses, to provide additional flexibility and life balance in managing their traditional responsibilities as a wife and primary caretaker of children (Buttner and Moore, 1997). This is appealing for women in terms of location, often working at home or close to home, and the hours of work. As disclosed by Kantor (2002), this study revealed that women business owners with severe work load as a house wife as well as a mother showed a trade off between the growth of their business and carrying out day to day household work (Figure 2). A points scale (as shown in male domination) was developed to measure the degree of dual role stress.

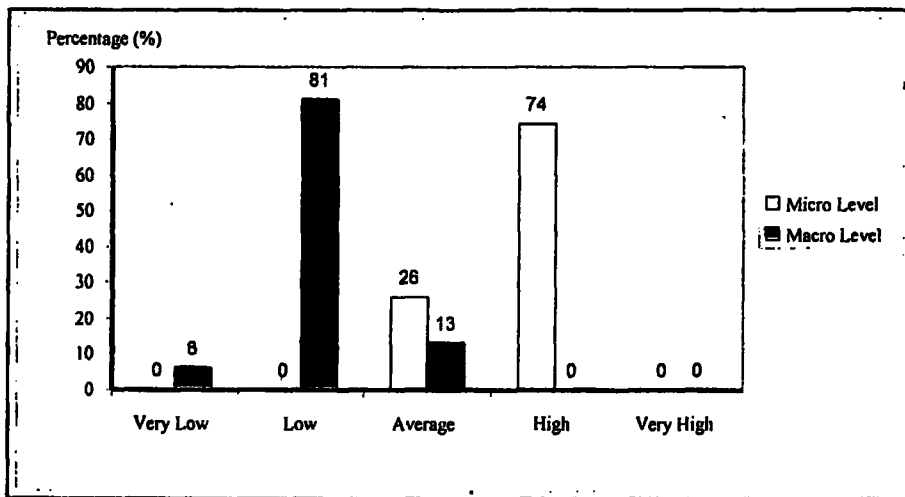


Fig. 2. Dual role stress among micro and macro level women-business Operators

Most commonly, women business operators get support from their extended family members (parents, grand parents). On some occasions servants come into play. One such case highlighted that the woman business operator gets fullest cooperation from her servant to carry out the domestic work load allowing more time for her to involve in the business matters. In supporting the view of Bains and Wheelock (1998) on family support and business survival, this study revealed that those who get support to ease their domestic work load could attend more to business matters and succeed in raising their business to macro level. Among macro level women business operators, 87% strongly agreed that they

received utmost support from the extended family members and servants whereas 78% of micro level women business operators expressed that they do not get support either from extended family members or from servants.

Results of the hypothesis testing emphasized that dual role stress is a significant factor which acts as a barrier in the growth of women owned businesses to macro level (Table 5).

Spouse's involvement in the business

Factors such as whether the husband works full time in the business, work in a related area of the business or doing a business in some other area not related to the business had a positive impact on growth of the business to macro level (Figure 3). Spouse involvement in the business was identified as 'very high' in situations where spouse involves full time in the business. It was recognized as 'high' when he worked in a related area of the business, attends to women business operator's business matters frequently and as 'average' when he does a business not in a related area to his wife's business and his business background helps in handling problems faced by women business operators in their business. In situations where spouse had to work outstations and imposed time constraints on him in involving in the woman business operator's business activities, his involvement in the business had been recognized as 'low' during the case analysis.

Table 5. Hypothesis testing: dual role stress

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Dual Role Stress	15.95	0.001	Rejected

As emphasized by Brush (1992), spouse involvement is an important factor for successful women business owners and it was clearly evident in the study (Table 6).

Table 6. Hypothesis testing: spouse involvement in the business

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Spouse's involvement in the business	15.92	0.014	Rejected

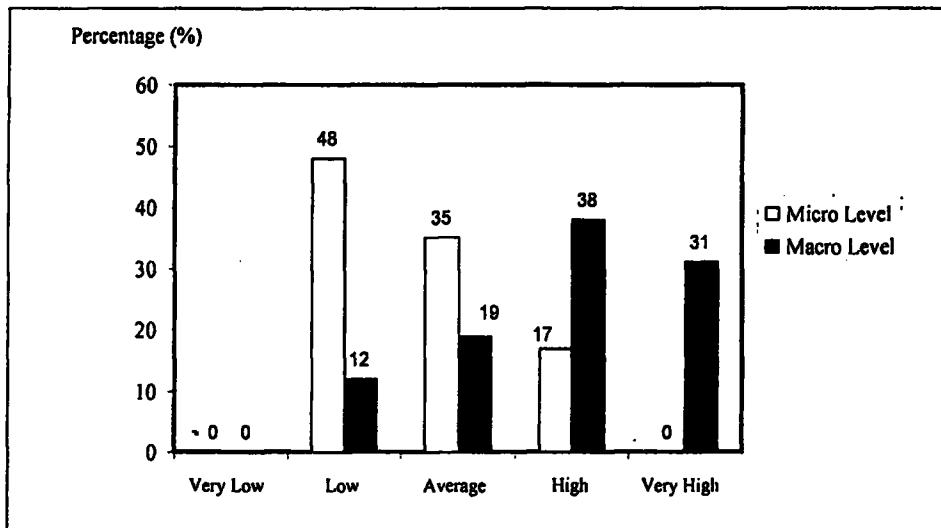


Fig. 3. Spouse's involvement in the business

Restrictions on venturing out

Women business owners confront the problem of going outside for business activities as it is recognized as a 'not to do' practice for a woman within the existing socio-cultural setting. It was disclosed that if a women business operator opts to venture out for business activities, she will neglect the domestic chores. Hence they tend to operate their businesses in and around their residences.

In supporting the view of Shaheed (1989), Dionisio (1993), Agarwal (1994) and Wijayatilake (1999), this study showed that 82% of micro level women business operators were in favour of the opinion that there are restrictions to go out for business activities and obtain training due to family problems and neighbours' negative perception on venturing out. However, the remaining 17% of micro level women business operators used to overcome this problem by accompanying somebody when go out for business activities. On the other hand, 62% of macro level women business operators strongly disagreed with the fact that they have restrictions in venturing out for business activities. Venturing out enabled them to identify places of obtaining raw materials with price discounts, meet experts engaged in the same business, identify market windows to position their goods and services as well as to grasp up to date knowledge with regard to customer needs and business operations. Above mentioned aspects had been recognized as crucial in expanding their businesses to the macro level. Only 19% of them had to face restrictions in going out and obtain training due to family problems. However they were entrepreneurial in overcoming this obstacle by using alternative strategies such as accompanying a close relative or an employee engaged in her business when going out and by delegating responsibilities to them. The results of hypothesis testing showed that the restrictions on venturing out had a negative effect on growth of women-owned businesses to the macro level (Table 7).

Table 7. Hypothesis testing: Restrictions on venturing out

Factor	Chi Square Value	p-value	Acceptance of null hypothesis at 0.05 significance
Restrictions on venturing out	17.38	0.001	Rejected

Social beliefs on woman's role as a mother/wife/business woman

Gender role stereotypes which condition child rearing practices, the gendered socialization process and the internalization of negative social norms by women often suppress the development of initiative, self confidence and other related personality attributes that activate dynamic women entrepreneurs (Sitterly, 1994). Women business operators were allocated points depending on their agreement and disagreement on various statements related to social beliefs on woman's role. The aggregated value (very low – 4 points, low – 3 points, average – 2 points, high – 1 point, very high – 0 point) was considered as an indication of the degree of social taboos women had to face. Women business owners who reside in rural areas face difficulties in developing their businesses to macro level due to the existing social taboos on women. Hence the businesswomen are reluctant to show off their businesses within that social setting. The study revealed that 56% of women business owners operating at micro level find difficulty in developing their businesses to macro level due to negative social beliefs in playing a businesswoman's role (Fig. 4). Hence the women business operators themselves prefer to operate at micro scale without getting high popularity as a 'business woman'. It was also observed that there were only a few women business operators in their society and they run their businesses in order to fulfill their day to day survival needs. Some of them had given up their businesses when they had to care for their children and spouse. This reflects that the society they belong to values more the woman's role as a mother/wife rather than as a business woman. With regard to macro level women business operators, only 12% are in favour of the opinion that their society has negative beliefs on their role as businesswomen (Figure 4).

Case study analysis highlighted that some of the macro level women business operators were entrepreneurial to overcome this obstacle by giving employment opportunities to village girls in their businesses and subcontracting some of the business operations to the village folk. The results of hypothesis testing prove that negative social beliefs on business woman's role are of paramount importance in the growth of women owned businesses to the macro level (Table 8).

Table 8. Hypothesis testing: negative social beliefs on business woman's role

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Negative social beliefs on business women's role	6.33	0.012	Rejected

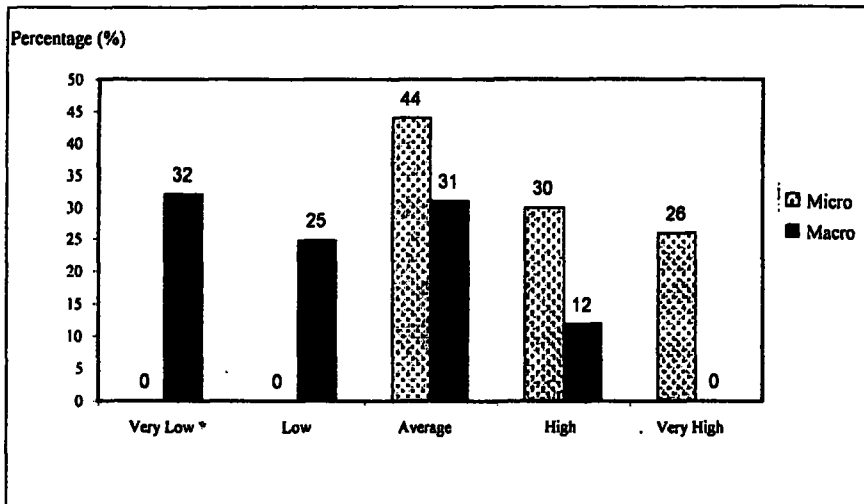


Fig. 4. Negative social beliefs on woman’s role as a business woman

Social networks

Networking is a set of interrelated relationships that mutually benefit all who are involved, through sharing and giving resources, information and data, and personal referrals (Weiler and Bernasek, 2001). Women have the ability to build strong, lasting, resilient personal relationships that assist them with growing and maintaining their networks. During the study, the strength of social net works were measured in terms of being a member in a womens’ organization, participating in business related activities out side the member organization, getting help from other organizations, experts, people known for a longer period of time in penetrating into markets, attracting customers, getting ideas and knowledge to recognize opportunities through dealing with experts and people outside, getting price discounts, financial support and overcoming constraints. The women business operators focused in this study are members of Womens’ Chamber of Commerce and Industries and reap the benefits of being a member in a reputed organization. However it has been revealed that the active members of the organization are the ones who developed their businesses to the macro level. Almost all the macro level women business operators and only 8.6% of micro level women business operators engage in business related activities such as exhibitions, seminars, workshops and sales outside their member organization. Figure 5 depicts the effect of social networks on the growth of women owned businesses to the macro level.

Results of hypothesis testing highlighted the significance of social networks in the growth of women-owned businesses to the macro level (Table 9).

Table 9. Hypothesis testing: social net works

Factor	Chi square value	p-value	Acceptance of null hypothesis at 0.05 significance
Social net works	13.09	0.001	Rejected

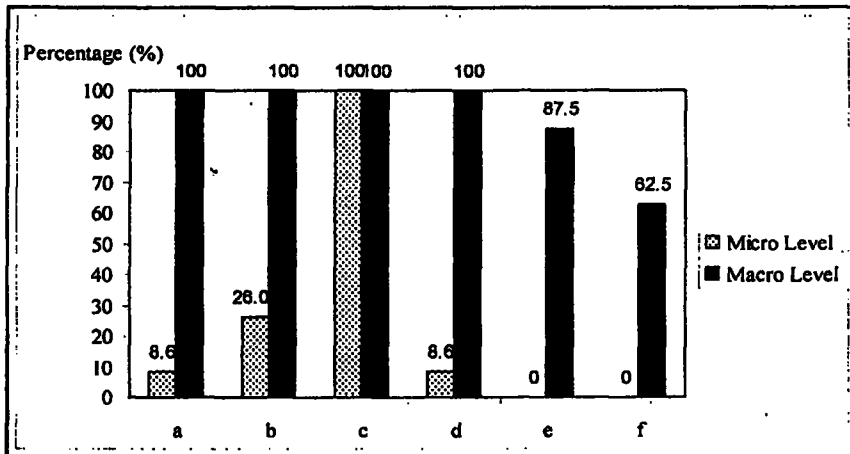


Fig. 5. Impact of social networks

a. Gain popularity through participating in business related activities out side the member organization, b. Get help from other social contacts in penetrating into markets and attracting customers, c. Get ideas and knowledge from social contacts to recognize opportunities, d. Get price discounts and raw materials, e. Overcome social constraints through social contacts, f. Get financial support from social contacts

CONCLUSIONS

The study revealed that women who engaged in traditionally feminine businesses confront a range of significant socio-cultural constraints in spite of the common economic barriers. Female social dependence on men was clearly evident in the study. Women business owners who still remain at the micro level provide evidences of inability and unwillingness to retain and control their resources as well as decision making within the household and in the business sphere due to male domination. In addition, the degree of support given by the husband by taking part in the business activities is poorly visible among women business owners who still remain at the micro level. Further, the assignment of the primary responsibility of caring for children and home to women, and the task of providing income on which families live to men have a bad impact on the growth of women-owned businesses from the micro to macro level. In such a socio-cultural setting the women business owners face restrictions in freedom of movement in the public sphere which in turn has a negative impact on growth of their businesses to the macro level. Further, the ability to access markets and resources are strongly influenced by the social contacts they have. Finally, it is evident that the socio-cultural constraints addressed in the study affect badly the growth of women-owned businesses from the micro to macro level. The implications for growth of women-owned businesses are that they should necessarily view those businesses

as a system of cooperative relationships between family, business and community. Therefore different training approaches are of vital importance to upgrade the women owned 'traditionally feminine' businesses.

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