FACTORS AFFECTING SUCCESS OF WOMEN ENTERPRENEURS IN THANH HOA PROVINCE, VIETNAN

Thu Tra, Dao
Hong Duc University, Vietnam
tradthdu@gmail.com

Abstract

Entrepreneurship is considered as an important component to provoke growth and development of most nations around the world. It is also postulated that women entrepreneurs play a significant role in the development of any country. Thus, this paper aims to explore the success factors of women entrepreneurs in Thanh Hoa province, Vietnam. A structured questionnaire, containing 42 variables, has been used to collect data from 267 women entrepreneurs in Thanh Hoa province. Collected data was analyzed by IBM SPSS Statistics 23.0. The study has identified 6 key factors that influence to the success of women entreprenurs, those are Personal characters, Human capital, Suport from family and fiends, Economic factors, Social and cultural factors, Law and administrative factors. Hypothesis testing indicated that Personal characters play most important role on the success of women, followed by Human capital, support from family and friends. Law and adminstrative factors have least contribution to women entrepreneur's success. Result also showed that difference at Age, maritual status, obstacle of starting business and reason for starting business have different effect on the success of women entrepreneurs. Based on finding of the research, the author provided some recommendations to enhance the level of success for women entrepreneurs in Thanh Hoa, Vietnam.

Keywords: Entrepreneurship, Success Factors, Women Entrepreneurs.

Introduction

It is a fact that the number of women involved in business has been increasing steadily worldwide and as a result the number of women entrepreneurs is also increasing over the time. Women account for more than one-third of all people involved in entrepreneurial activity [Global Entrepreneurship Monitor (GEM), 2015]. In 2016, an estimated 163 million women were starting or running new businesses in 74 economies around the world. In addition, an estimated 111 million were running established businesses. This not only shows the impact of women entrepreneurs across the globe, but highlights their contributions to the growth and well-being of their societies. Women entrepreneurs provide incomes for their families, employment for their communities, and products and services that bring new value to the world around them (GEM, 2016/2017). Across Southeast Asia, 8-21 % of female population engaged in entrepreneurship (The Sasakawa Peace Foundation and Dalberg Global Development Advisors, 2017). In Vietnam, according to Kim Ly (2017) there are 25.4 % owner of enterprises and business in Vietnam are women (statistic of 2014). At current time, the number of enterprise that owned by women accounted for almost 31,4% (statistic announced on 7/4/2017) (VOV.vn).

The number of women entrepreneurs has been increasing rapidly around the world and their contribution to the development of the world is evidence. According to Ambepitiya (2016), woman plays a vital role in the economic development of any nation. Women entrepreneurs in both developed and developing countries are socially

powerful in terms of education and making a positive impact on the society. It is stated that the higher levels of entrepreneurship, the greater levels of economic growth. Thus, it is possible to conclude that entrepreneurship can be considered as catalyst of economic growth and development. Although the numbers of women entrepreneurs have been increasing considerably and their role already confirmed, few studies have focused on or included this group in their research sample and especially data about their performance are rather scarce and difficult to obtain. From the research perspective, there are very small number of researches have investigated the factors affecting the success of women entrepreneur. To fill the above gaps, this study will try to provide a holistic prospect of factors affecting the success of women entrepreneurs via a comprehensive review of available literature about this topic. This resulted in the development of a theoretical framework about factors affecting the success of women entrepreneur. From the practical point of view, it increases women involvement in entrepreneurship through a better understanding of the determinants of business success of Vietnamese women entrepreneurs in general and in Thanh Hoa context in particular. Such an understanding of the pre-requisites for Vietnamese women entrepreneurs to succeed in their businesses is of critical importance especially in today's competitive environment.

Methodology

In order to achieve objetives of the study, this research used both quanlitative and qualitative research methods. For qualitative method,in this study, the author selects randomly 10 women entrepreneurs and 5 experts in Thanh Hoa and then conduct an interview with them. Interviews are the data collection method "where the author speaks to the respondent directly" (Hair, et al 2007). As this study is aiming to find out how women entrepreneurs define success and factors affect to their success. Data collected from depth interview are sources used to create quesionnaire which are the main source of the primary data required for this research.

About quantitative method, well structured questionaire were used. The questionnaire of this study comprise three parts. Part 1: is general information which including information about entrepreneur and their business. Part 2: Factors affecting the success of women entrepreneurs. Part 3: Indicators of success. Question was set on 5 point likert scale ranging from 1= completely disagree to 5= Very agree.

Data collected from survey will be analyzed by SPP 23.0 to find result to answer research questions

The population of the study are the women entrepreneurs doing business in Thanh Hoa province. The sample is divided for all sectors with an equal rate.

The optimal sample size depends on the expectation of reliability, the method of data analysis, the estimation method used in the study, the parameters to be estimated. To conduct the best regression analysis, according to Tabachnick and Fidell (1996), the sample size n ≥ 8m + 50 (m is the independent variable in the model); Also according to Aprimer n ≥ 104 + m. According to Hair et al (2006), a minimum of sample size must be at least 100, other researchers give rule of taking sample size according to variable , at least 4 or 5 time of independent variable (Hoang Trong và Mong Ngoc, 2008).

In this research, the author adoped a rule of taking sample size of Hoang Trong and Mong Ngoc, n ≥ 5m (m is independent variable in the model). In this reaserch, there is 42 independent variable, therefore, the sample has to get at least 42 x5 = 210. In oder to

make it more believable and creditable, the author selected 286 women entrepreneurs (accounted for 20% of women entrepreneurs) in Thanh Hoa province to make a survey. For selecting these samples of entrepreneurs, stratified sampling was used in which the 5 key sectors that woman entrepreneurs are engaged was taken as strata so as to give equal chance to each of the sectors. From each sector, 20% of women entrepreneurs in Thanh Hoa were selected randomly using lottery method by taking list of respondents from the statistical authority office.

Besides the primary data that collected from interview and survey, this study also used secondary data. Most of secodary data of this study are collected from internet, books and journal article. These are useful sources for author to gather information about previous studies, performance of women entrepreneur in Thanh Hoa. Information from Thanh Hoa Statistcial Department are also very useful to find out number of women entrepreneur in Thanh Hoa. Besides, secondary data are also utilized for the analysis of business environment in Thanh Hoa context. The author believes that together with the primary data, the usage of secondary data can provide more reliable research findings for the study.

Results

Descriptive statistics.

Firstly, the stuy had collected informations selected women entrepreneur about Educational level, Age, Marital status, Experience,Whether having family member doing business, Reason for starting business, Main obstacles when starting business, Main obstacle when running business, Sources of their business skills and Income. Results show that most of respondents have high level of education, with 49,4 % have bachelor degree and 13,9 % have post graduate degree. Majority of women entrepreneurs age from 35-54. Most of select women have marriaged, only 21,3 are single. Many people had been working in the same industry before starting their own business and these women also have atleast one relative working in business. Majority of selected women said that they start their own business because they see the need in the market. The main obstacles they face when start and running business are acquiring crediblity and trust from others and liquity and other financial problems respectively. Major sources of skill for running business is from past experiences. Most of respondents get very high income, from 60.000.000- 70.000.000 VND. (see appendix)

Secondly, the study have found out information of women entrepreneur's firms. Specifically, hand craft accounted for almost one third of five business sectors and following by service. Priviate enterprise is the main form of legal ownership, which is followed by Limited liability company and joint stock company. Majority of firms are located at the office, having 11-15 employees and age from 5-9 years (see appendix)

Thirdly, the study also determined the indicators of succcess of a women, which include: profits, social status, family and business life, self-achievement, product/service, contribute to society (see appendix)

Hypothesis testing

Correlations

		IS	PC	HC	SP	EF	SCF	LAF
IS	Pearson Correlation	1	,495**	,481**	,443**	,278**	,307**	,294**
	Sig. (2-tailed)		,000	,000	,000	,000	,000	,000
	N	267	267	267	267	267	267	267
PC	Pearson Correlation	,495**	1	,148*	,160**	,128*	,135*	,207**
	Sig. (2-tailed)	,000		,015	,009	,037	,028	,001
	N	267	267	267	267	267	267	267
HC	Pearson Correlation	,481**	,148*	1	,416**	,120*	,189**	,121*
	Sig. (2-tailed)	,000	,015		,000	,050	,002	,048
	N	267	267	267	267	267	267	267
SP	Pearson Correlation	,443**	,160**	,416**	1	,139*	,183**	,137*
	Sig. (2-tailed)	,000	,009	,000		,023	,003	,026
	N	267	267	267	267	267	267	267
EF	Pearson Correlation	,278**	,128*	,120*	,139*	1	,062	,109
	Sig. (2-tailed)	,000	,037	,050	,023		,310	,074
	N	267	267	267	267	267	267	267
SCF	Pearson Correlation	,307**	,135*	,189**	,183**	,062	1	,162**
	Sig. (2-tailed)	,000	,028	,002	,003	,310		,008
	N	267	267	267	267	267	267	267
LAF	Pearson Correlation	,294**	,207**	,121*	,137*	,109	,162**	1
	Sig. (2-tailed)	,000	,001	,048	,026	,074	,008	
	N	267	267	267	267	267	267	267

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation coefficient do not eliminate any factors because the sig between each independent variable and dependent variable was less than 0.05.

To test hypotheses about the relationship between variables, the author ran a multivariate regression model.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,787	,258		-3,055	,002		
	PC	,323	,040	,358	8,014	,000	,921	1,086
	SP	,228	,053	,205	4,286	,000	,799	1,251
	HC	,265	,045	,284	5,946	,000	,805	1,243
	EF	,168	,050	,148	3,385	,001	,961	1,041
	LAF	,134	,050	,119	2,683	,008	,926	1,080
	SCF	,141	,045	,139	3,126	,002	,929	1,077

a. Dependent Variable: IS

From the regression results we see that:

After the regression analysis, all six independent variables: Personal characters, Human capital, Support from family and friends, Economic factors, Social and cultural factors, Law and administrative factors explain the change of the dependent variable is the success of the female entrepreneurs.

Regression models about the success of female entrepreneurs is explained in the following six categories:

General regression model

$$SF = \beta 2iX_1 + \beta 3iX_2 + \beta 4iX_3 + \beta 5iX_4 + \beta 6iX_5 + \beta 7iX_6$$

After the regression analysis with SPSS software, we have the expected regression model as follows:

$$SF = 0.358\ PC + 0.205\ SP + 0.284\ HC + 0.148\ EF + 0.119\ LAF + 0.139\ SCF$$

The result show that all six factors have effect on the success of women entrepreneurs at possitive side. This means that when level of one independent factors increase, others rest independent factors constant, level of dependent factors will increase as well. Through the regression equation we also see Personal factor has the most impact on the success of women entrereneurs, this indicates that the more positive characters women possess, the higher level of success they achieve. This is followed by human capital factors and least one is law and administrative factors. From this result, it is possible to draw that which factors women should pay attention the most in order to improve the chance of success.

ANOVA analysis

Analyzes the ANOVA to test the differences in the success of a profile-based survey. The results show that different age groups, having different marital status, different start-up motives, and different major obstacle when start up will have different degrees of success. The remaining group, like the level of education, experience, business sector, location of business, so on having no difference in success among groups because Sig value was > 0.05.

Based on the mean score, the respondents aged 25-34 often have less chance of success than the rest. Reasons can be used to explain for this is that at age 25-34, people have not much experience and women in this group often have young family with babies, therefore they do not have much time for their business. Normally, after 34 years old, when their children have gone to school, the women will put all of their efforts to develop their career.

Regarding maritual status, respondents who are single and widowed have a higher chance of success than the rest. This is assumed that single women can devote more time for their business than the marriage and the widowed people normally they are at older age, so they have more experience than the rest.

Mentioning to reason of starting business, result showed that the respondents who started their business on the purpose of making more money seem to be more success than the rest.

Regarding obstacles when start business, result showed that the respondents with the main obstacle of financial resources have lowest level of success. From that, we understand that finance plays an important role for any one want to start up. Therefore, government and financial institutions need to provide more chance for women to access finance in order to encourage more people involved in business and improve the level of success for women entrepreneurs.

Conclusion and recommendations

Conclusion

From the finding, it is shown that six indendent factors (personal characters, human capital, support from family and friends, economic factors, social and cultural factors, law and administrative fatcors) have sigificant relationship with the indicator of success (IS) of women entrepreneur in Thanh Hoa province in positive direction. From the result, we can know about reality of independent factors, such as the level of knowledge and skill of women entrepreneur, the business environment, law and regulation of Vietnam, whether these are useful and favorable for people doing business. Specifically, the level of human capital of women is still at average and enviroment is still not very helpful for women entrepreneur. Women entrepreneurs still feel difficult to access finance, and other resource like information and technology. In addition, gender inequallity is still exist in Vietnam society, it is disadvantages for women to engage in business. Besides, even government have made a big reform regarding administrative system, issues related to law and administraive factors still remain many difficulties for women.

Recommendation

From the analysis above and the situation of women entrepreneurs in Thanh Hoa in particular and in Vietnam in gerneral, the author proposes some recomendations to promote the success of women entrepreneurs in Thanh Hoa as follows :

Recommendations to women entrepreneurs

For the women entrepreneur, they need evaluate their characters carefully in order to know their strengths and weakness, from that they can develop the positive characters and minimize the effect of negative ones and even changing them to be the possitive.

To improve the chance for success, the women entrepreneurs should constantly engage in training programs. They must improve necessary skills for not only themselves but also for their employees in order to be able to provide higher quality of products and services. In addition, with a higher education, the women can also make wise personal and family decisions to improve their lifestyle.

Moreover, in order to overcome the different economic, social-cultural and legal and administrative obstacles they face, women entrepreneurs should particiapte in social activities and associations to create relationship with more people which propably is advantages for women during the process of doing business. In addition, women entrepreneurs should form deep-rooted entrepreneurs association in order to make lobbies to the concerned government officials become easier.

In addition, women entrepreneurs in Thanh Hoa should share experiences with other entrepreneurs in other provinces or areas so that they can learn best practices from each others. Besides, successful women entrepreneurs should share experiences with other women who are intent to start up in order to help them to be more confident and have more knowledges about business. This will lead to increase the number of successful women entrepreneur and as a result country's economy will be more developed.

Recommendation to government:

One of the most important thing is improving women's access to education. Government should have more training programes and activities such as continuous trainings, experience sharing from successful entrepreneurs, and provision of advice

and consultancy for women to participate at flexible time in order to make women entrepreneurs competitive and profitable, increasing the capacity and skill of the entrepreneurs. Moreover, government need to provide more necessary infrastructure and enable the environment for business operation.

The ANOVA analysis indicated that people with the main difficulty for getting financial resources when starting business achieve lowest level of success compared to other groups. In addition, respondents did not completedly satisfy with financial asscess given by microfinance and other leding institutions (mean = 3,52). Therefore, the government bodies should provide affordable alternative sources of finance for women entrepreneurs. This can be done by communicating with the banks, NGOs and other credit institutions to lessen their requirements. If this is done, accessing to finance for their business activities will not be a problem for the entrepreneurs. In addition, local banks, credit unions, and other institutions should establish micro-financing departments and provide short term loans with lower interest for women to start a new business or expand existing ones. Besides, the financial institution should provide more additional services with free of cost for women to enhance the level of success. Those services can be advice on how to improve the level of success when starting or expanding a business, law and administrative advice, and providing recommendations of training programs.

The change in socio-economic environment trend seems have possitive effect on the women entrepreneurs. This is result from development of media. Therefore, the government need to promote this trend to minimize the unfavor effect of social and culture on the entrepreneurship by organizing more programes for women to participate, providing more wellfare for women, and especially propagating about the important of gender equality widely. In the analysis of ANOVA, the results show that single people (mean = 3.43) were more likely to succeed than married people (mean = 2.90). This can be explained that married people have spend more time for their family and especially their children, so they have less time for their business. Therefore, it is necessary to increase awareness on gender issues, adopt technologies to reduce women's workloads, establish more childcare centres. By that, women will have more time for their business.

The important thing is that the government should make more reform in law and administrative issues. Law and regulation need to support for women entrepreneurs at highest level. Especially, procedures need to be simplest and easiest, as a result of saving time for women as well as ecounraging more people involve in business activities. Red tapes and bureaucracy should be rejected completedly.

Recommendations to financial institutions:

In order to make financial access be easier for women entrepreneurs, financial institutions need to lessen their requirement and reduce interest rate. In addition, procedure for taking the loan need to be short and simple in order to encourage more people coming to these institutions as a main source of their capital. Besides, financial institutions should have more suportive services with free of charge, such as providing information about market, real estate, foreign exchange rate, so on.

Recommendations to educational institutions:

Education plays an important role on the success of any entrepreneurs. However, result shows that only 22,5% get their main business skills through trainning. Therefore, educational institutions should provide more types of training at flexible time, so that

more people can study. In addition, it is necessary to have more short course of training at local areas including remote districts, so that more women can attend even women with young baby who can not leave their home to school for training.

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APPENDIX 1
Table : Informations about respondent

TT	Information of sample	Frequency (people)	Percent
1	**Education**	267	**100%**
	None	0	**0**
	Primary school	4	1,5
	Secondary school	26	9,7
	High School	68	25,5
	Undergraduate/ college	132	49,4
	Post Graduate and above	37	13,9
2	**Age**		**100%**
	Under 25	6	2,2
	From 25 - 34	26	9,7
	From 35 - 44	80	30,0
	From 45- 54	95	35,6
	Over 55	60	22,5
3	**Marital status**		**100%**
	○ Married	182	68,2
	○ Single	57	21,3
	○ Divorced	20	7,5
	○ Widowed	8	3,0
4	**Work experience**		**100%**
	○ No experience	4	1,5
	○ Less than one year	35	13,1
	○ 1-5 years	101	37,8
	○ 5-10 years	98	36,7
	○ More than 10 years	29	10,9
5	**Member in business**		**100%**
	Yes	165	61,8
	No	102	38,2
6	**Reasons for starting up**		**100%**
	○ To be self- employed	26	9,7
	○ To make more money	44	16,5
	○ Dissatisfied with my job	47	17,6

	○	To fill a need I saw in the market for new	57	21,3
	○	Become more independent financially	51	19,1
	○	Because I did not have any other choice	27	10,1
	○	Inherited the business from family	11	4,1
	○	Other (specify)	4	1,5
7	**Business sector**			**100%**
	○	Service	70	26,2
	○	Production	33	12,4
	○	Agriculture	48	18,0
	○	Trade	35	13,1
	○	Hand Craft	81	30,3
	○	Other (specify)	0	0
8	**Legal ownership**			
	○ Partnerships		20	7,5
	○		62	23,2
	○		68	25,5
	○ Private enterprise		73	27,3
	○ Individual business households		44	16,5
9	**Location of business**			
	○	In my home	70	26,2
	○	At the office/company premises	141	52,8
	Other (specify		56	21,0
10	**Number of employees**			
	○		11	4,1
	○		62	23,2
	○		116	43,4
	○		78	29,2
11	**Time of business establishment**			
	○ Less than 3 years		21	7,9
	○ From 3 to 5 years		83	31,1
	○ 5-9 years		111	41,6
	○ 10 years or more		52	19,5
12	**Main obstacle of starting business**			
	○	Lack of experience	21	7,9

	○	Lack of financial resources	56	21,0
	○	Acquiring credibility and trust from others	92	34,5
	○	Difficulties in accessing the right contacts	69	25,8
	○	Lack of information	29	10,9
	○	No obstacle	0	0
13	**Main obstable during process of running business**			
	○	Balancing family and work life	32	12,0
	○	No time for training/upgrading skills	61	22,8
	○	Liquidity and other financial problems	98	36,7
	○	Gaining acceptance/respect of people	61	22,8
	○	High cost of public services (water,	15	5,6
	○	No obstacle	0	0
14	**Sources of skills for running business**			
	○	Through trainings	60	22,5
	○	From past experience	86	32,2
	○	From friends	58	21,7
	○	From family	44	16,5
	○	Other (specify)	19	7,1
15	**Your income**			
	○	< 30.000.000 VND	25	9,4
	○	30.000.000- 40.000.000 VND	32	12,0
	○	40.000.000 – 50.000.000 VND	40	15,0
	○	50.000.000- 60.000.000 VND	54	20,2
	○	60.000.000 – 70.000.000 VND	65	24,3
	○	> 70.000.000 VND	51	19,1
16	**Determinant of success**			
	○	Profits	18	6,7
	○	Social status	43	16,1
	○	Family and business life	70	26,2
	○	Self-achivement	79	29,6
	○	Products/service	46	17,2
	○	Contribution to society	11	4,1
	Others…………………………………………………………..........		0	0

(Source: Calculated by the author)