

## Identification of Drivers and Barriers of Women Entrepreneurs: A case study in Floriculture Industry

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**Abstract:** The aspiration of human being to advance life standards throughout the past have always brought diverse pursuits with it. These pursuits have become reality by putting forward a new hint and taking risks when essential. Innovative and risk taking people have begun to be defined as entrepreneurs over time. In such context women entrepreneurship and innovation has become an emerging topic in today's world. The present study evaluates the drivers and current status of financial literacy of the women entrepreneurs in floriculture industry. In addition, examine the socio economic and cultural barriers which hinder women participation in entrepreneurship and innovation. Ninety two female respondents were selected for this survey and administrated a pre tested questionnaire. Collected data were analyzed using Wilcoxon sign rank test. Study revealed the need to earn money and financial necessity as the major drivers to start a new venture. They were not aware about the high-risky unregulated saving systems, government tax policy, inflation rates and, stock market. Further the explored constraints of the study were unavailability of enough capital, market for finished goods, lack of knowledge on modern technology, inadequate infrastructure for transportation of raw material; inadequate training and access to information, weak business associations and, government taxes as the prevailing constraints. Therefore the authorities should take necessary actions to remove these obstacles, in order to improve the women entrepreneurship in floriculture.

**Keywords:** Barriers, drivers, entrepreneurship, financial literacy, floriculture, women entrepreneurs

### INTRODUCTION

Entrepreneurship is an emerging subject of research worldwide. Anonymous [1] defines Entrepreneurship as the professional application of knowledge, skills and competencies and / or of monetizing a new idea, by an individual or a set of people by launching an enterprise or diversifying from an existing one, thus to track growth while generating wealth, employment and social wellbeing.

However women entrepreneurship varies greatly in size across the world. A vital source of data in the Global Entrepreneurship Monitor project (GEM), has estimated that more than 187 million women are engaged in entrepreneurial activity [2]. On a global scale, the gender gap does not seem to be that alarming. GEM data (2012) demonstrates that men make up 52% of all entrepreneurial activity, compared to 48% of women entrepreneurs. In year 2012 data for Sri Lanka indicates that, out of the total "economically inactive population" of the country, 70.3 percent are females and out of the total "economically active population" females account for only 33.4 percent [3]. Latest statistics for Sri Lanka (in 2015) reveals that, majority among the economically inactive population are

females (74.8%) [4]. This indicates that there is a huge untouched reservoir of manpower in Sri Lanka that could be utilized for the growth of the nation, while empowering the individuals and benefiting the society as a whole. Moreover, several knowledge gaps remain on the obstacles hindering women's role in the promotion of sustainable development and economic growth through the creation of high growth, innovative enterprises.

Latest global studies indicate that the gender gap in entrepreneurship exists at different levels and varying widely across countries. Yet current researches suggests that there are some commonalities as to the proximate and ultimate determinants of these differences such as access to financial resources, inadequate training and access to information, work-family interface, women's safety and gender based violence, lack of societal support, and legal barriers and procedures [5].

Anonymous [6] shows that access and control over finance is a common challenge for women to establish and run a business. Another challenge often mentioned in studies on women entrepreneurs is that

they are having a comparatively low level of education and skill training. This combined with a lack of career guidance, generally seems to hinder their access to numerous publically and privately offered support services including business development services and information on business growth [5, 7, 8]. Furthermore, some research findings indicate that women strongly rely on support from spouse, parents, relatives and other family members in order to successfully start and expand a business [9, 10]. Safety and protection of women entrepreneurs has highlighted as another prominent challenge by many studies. This is an important threat that leads to stress, continual fear and not having the prospect to freely select business location and time of opening hours which seriously limits the opportunities and choices of becoming a successful entrepreneur for women [11, 12]. Perception of some countries on entrepreneurship states it as a suitable career choice for males and not females, or only for the uneducated and not the educated, which in most cases are women. These insights are mostly built on the association of entrepreneurship with traditional male stereotypes [13, 14]. Furthermore, scholars point out that normative restrictions and societal thinking based on cultural and religious opinions in some countries are not supportive of the work of women in general or that of women in entrepreneurship in particular [15]. Many researches have also been identified lack of government support in terms of policy, laws and services as a barrier for women entrepreneurs.

This paper explores the drivers of women entrepreneurship and innovation, the socio economic and cultural barriers which hinder women participation in entrepreneurship and innovation. Ultimately, through the research findings, this study also provides recommendations for policy in the area of women entrepreneurship in order to foster a greater level of innovation in women-owned enterprises. Only few existing researches provide literature on entrepreneurship in Sri Lanka. In such case, this study will help to bridge the gap in the area of development of women entrepreneurship.

#### **OBJECTIVES**

- To investigate the drivers of entrepreneurship and innovation.
- To examine the current financial literacy status of the women entrepreneurs in floriculture industry.
- To examine the socio economic and cultural barriers which hinder women participation in entrepreneurship and innovation.

- Provide suggestions and policy implications in the area of women entrepreneurship, fostering a greater level of innovation in women-owned enterprises.

#### **METHODOLOGY**

As the primary focus of the study is on female entrepreneurs, female respondents were selected for the sample survey. Members' lists of two floriculture producers associations at Battaramulla and Panadura were used as the sample frame and among them ninety two female floriculture entrepreneurs were selected for the survey. Primary data were collected by administering a pre tested structured questionnaire and informal interviews. This was done in order to explore drivers, barriers and financial literacy of women entrepreneurs. Secondary data were collected from official annual reports.

Age, home town, religion, level of education, monthly income, number of dependents, experience in the field, Sources, amount, reasons of credits/loan obtained and entrepreneurial family background were collected in order to identify socio-economic and demographic characteristics of entrepreneurs.

Twenty one variables were used to investigate the drivers of entrepreneurship and innovation which were measured using five point Likert scale, which ranges from -2 to +2 where -2 represents "strongly disagree", -1 – "Disagree", 0- "Neutral", 1- "Agree", 2- "Strongly agree". Financial literacy, socio economic and cultural barriers which hinder women participation in entrepreneurship and innovation were also measured similarly. Five-point Likert scale question was used to illustrate the differing conclusions that may arise from single-question.

The collected primary data were analyzed using conventional qualitative content analysis and summative content analysis, in which the data were arranged into categories and themes [16]. Content analysis is a method to analyze documents and texts to quantify the contents in terms of predetermined categories and in a systematic and replicable manner [17]. The content analysis in this study followed the following outline: appropriate texts for analysis were chosen, the texts were split into smaller units of analysis, relevant categories of analysis were developed, coding of the units of analysis was done, analysis of the text in terms of the units and their relationship with other units that arises in the text was done [18].

The mean, median and the standard deviation for each variable were calculated. Wilcoxon sign rank test was used to identify the significance of the drivers and barriers of the women entrepreneurs in floriculture industry.

Specifically in 5-point likert scale the usual approach is indeed the Signed Rank test with the middle value 0 serving as a location parameter. However that it does not test whether the median answer is 0. The null hypothesis is rather that the median is 0 and the distribution is symmetric around the median. So (with sufficient data) this null hypothesis will be rejected if either of those conditions is false [19].

Reliability of the questionnaire was tested using Cronbach's Alpha test [20].

## RESULTS AND DISCUSSION

### Socio-economic and demographic characteristics of women entrepreneurs

Age of the respondents ranged from 21 to 62 years with a mean of 44.8, while the experience ranged from 2 to 30 years with a mean of 11.24 years. The education level found to be satisfactory, with 64 women entrepreneurs (69.5%) studied up to advanced level while 22 (23.9%) were studied up to ordinary level. The mean family size determined to be 4 (range 1 - 6), while the majority (93.48%) of the respondents were married. Income is the most critical factor for any livelihood. The respondents' income found to be a composite of various activities. Eighty two respondents (89.1%) engaged in floriculture to ensure sufficient income for their daily expenditure. Monthly income of the women entrepreneurs ranged from LKR 15,000 to LKR 80,000 with an average of LKR 37,934.78. Family background is a vital socio-economic factor that indicates the entrepreneurial mindset of the respondents. It was noticed that parents of majority (93.48%) of the

entrepreneurs were not self-employed. Cronbach's Alpha test value for drivers to start a new venture was recorded as 0.79, suggesting that the items have relatively high internal consistency. Anonymous [21] has indicated 0.70 to be an acceptable reliability coefficient but lower thresholds are sometimes used in the literature.

Twenty one variables were used to explore the drivers of women entrepreneurship and innovation in floriculture industry. Among them need to earn money and financial necessity were recorded as the strong drivers towards women entrepreneurship. Respondents have also agreed for requirement to be self-employed, desire to be an employer without being an employee, having creative ideas regarding enterprises, requirement to be financially independent, unemployment, necessity to pay more attention to family and, unavailability of expected employment opportunities as the drivers for women entrepreneurship (Table 1). These findings are compatible with women's entrepreneurship survey conducted internationally by the Centre for Women's Business Research [22].

Yet the results of the table 1 illustrate, respondents mentioned that they have not motivated by other people to run a business. Moreover, they disagreed that, they have frustrated by demanding employment opportunities, managerial level actions, dissatisfaction with inflexible work lords and the wage rate of previous employment, failure to break through the "glass ceiling" to higher paid managerial positions and, being laid-off by the previous employment.

**Table 1 : Analysis of drivers of women entrepreneurship**

	Mean	Median	SD	Significance level
I have motivated by another person to run a business	-0.3478261	-1	0.947919	0.018
I gained managerial experiences from my previous job	0.26086957	1	1.020562	0.088
I needed to be a manager of my own business	0.13043478	0	1.024341	0.377
I needed to be self employed	0.86956522	1	0.884652	0
I needed to be an employer rather than being an employee	0.32608696	0	0.944089	0.022
I had creative ideas regarding enterprises	0.58695652	1	0.883832	0
I need to earn money	1.04347826	1	0.758845	0
I needed to be financially independent	0.95652174	1	0.815312	0
It was forced by my financial situation (it was a necessity)	1.06521739	1	1.019851	0
I was forced by unemployment	0.47826087	1	1.0053	0.003
I needed to give more time and attention on my family	0.36956522	1	0.878349	0.008
I didn't have any other income source	0.26086957	0.5	1.18199	0.111
My employment experiences are unsatisfying	-0.2826087	-1	0.934833	0.053
I was frustrated with demanding environments	-0.5869565	-1	0.804876	0
I was dissatisfied with managerial level actions of previous employment	-0.9130435	-1	0.284885	0
I was dissatisfied with inflexible work lords in previous employment	-0.3913043	-1	0.714244	0.001
I was dissatisfied with the wage rate of previous employment	-0.2826087	0.5	0.807274	0.024
I was dissatisfied with the working hours of present jobs	0	0	0.843274	1
I couldn't meet an employment which fulfills my expectations	0.30434783	1	1.008179	0.045
As I failure to break through the "glass ceiling" to higher paid managerial positions	-0.7608696	-1	0.480036	0
I was laid-off by my previous job	-0.7391304	-1	0.71289	0

\* The significance level is 0.05

### Financial Literacy

Cronbach's Alpha test value for financial literacy of women entrepreneurs was recorded as 0.76 which means the items have relatively high internal consistency.

The respondents were well aware about the importance of savings and they can well manage cash-on-hand. They also agreed that, they try to save a

considerable proportion of their income, they budgeting before spending money and, always try to save money with formal institutions.

Nevertheless, they did not aware on high-risky unregulated saving systems, government tax policy, inflation rates and, stock market. Similarly, they haven't worked on their retirement plan.

**Table 2 : Analysis of women entrepreneurs' financial literacy**

	Mean	Median	SD	Significance level
I am well aware on importance of savings.	1.369565	1	0.609506	0
I try to save a considerable proportion of my income.	0.934783	1	0.879449	0
I am preparing a budget before spending money.	0.347826	0.5	1.037463	0.026
I don't have issues with cash-on-hand.	1.217391	1	0.814126	0
I always try to save money with formal institutions.	0.73913	1	0.929391	0
I am well aware on process of opening bank accounts.	0.173913	0	1.141234	0.268
I am well aware on different interest rates with Banks.	-0.15217	-0.5	0.94204	0.274
I am well aware on different loan schemes with Banks.	-0.21739	-1	0.916831	0.114
I am well aware on mobile banking systems.	-0.26087	-1	0.929391	0.066
I am well aware on high-risk unregulated saving systems.	-0.30435	-1	0.93973	0.036
I am well aware on government tax policy.	-0.32609	-1	0.895776	0.02
I have an idea about stock market.	-0.36957	-1	0.798852	0.004
I have worked on my retirement planning.	-0.47826	-1	0.862532	0.001
I have a basic idea about inflation.	-0.54348	-1	0.656811	0
I like to diversify the risk through investing in different business ventures.	-0.02174	0	0.856067	0.862

### Constraints on women entrepreneurship

Cronbach's Alpha test value for challenges and barriers to start and run new ventures was recorded as 0.79, suggesting that the measured items produce similar scores hence the items have relatively high internal consistency.

Furthermore, the study focused on the socio-economic, cultural and political barriers which hinder the potential of women entrepreneurs. Non-availability of labor at reasonable cost is the major constraint in lined with respondents.

Moreover, the surveyed respondents stated no access to enough capital for setting up new business ventures, non-availability of the market for finished goods, lack of knowledge on modern technology,

inadequate infrastructure for transportation of raw material to the factory/location of business; inadequate training and access to information, weak business associations and, government taxes discourage their entrepreneurial skills.

Further, they mentioned that there is an unequal access to markets for women entrepreneurs, limited knowledge of marketing strategies and lack of experience to run the business were also have slowed down their innovativeness.

They have undoubtedly mentioned the gender issue as a constraint in entrepreneurship and innovation. In contrast when starting and expanding the business venture their family has encouraged them.

**Table 3:**

	Mean	Median	SD	Significance level	Decision	Interpretation
I don't have access to enough capital for setting up new business ventures.	0.76087	1	0.705054	0	Reject the null hypothesis	agree
Non-availability of labor at reasonable cost is a problem for me.	1.130435	1	0.653493	0	Reject the null hypothesis	Strongly agree
Non-availability of easy access to the market for the finished goods is a problem for me.	0.76087	1	0.899006	0	Reject the null hypothesis	agree
Lack of access to modern technology is a problem for me.	0.847826	1	0.94204	0	Reject the null hypothesis	agree
Inadequate infrastructure to transport the raw material to the factory/location of business is a problem for me.	0.586957	1	0.908627	0	Reject the null hypothesis	agree
Government taxes discourage my entrepreneurial skills.	0.673913	1	1.012244	0	Reject the null hypothesis	agree
Inadequate training and access to information is a problem for me.	0.76087	1	0.923394	0	Reject the null hypothesis	agree
Weak business associations hinder my entrepreneurial skills.	0.434783	0.5	0.910486	0.003	Reject the null hypothesis	agree
There is an unequal access to markets for women entrepreneurs.	0.76087	1	0.923394	0	Reject the null hypothesis	agree
Limited knowledge of marketing strategies was a problem for me.	0.652174	1	1.015817	0	Reject the null hypothesis	agree
Poor business experience is a problem for me to run the business.	0.978261	1	0.977278	0	Reject the null hypothesis	agree
When starting the business gender was a barrier for me	-0.04348	-1	1.074069	0.787	Retain the null hypothesis	No Conclusion
I have encountered with gender based violence conditions while running the business.	0.065217	0	0.997824	0.655	Retain the null hypothesis	No Conclusion
I encountered with family discouragements in starting and expanding my business venture	-0.47826	-1	0.887922	0.001	Reject the null hypothesis	disagree
Work-family interface is a problem while running a business.	-0.23913	-1	1.119222	0.179	Retain the null hypothesis	No Conclusion
People consider self-employment as a profession of lower hierarchy	-0.08696	-1	1.207865	0.778	Retain the null hypothesis	No Conclusion
I was not supported by the society while starting the business	0.130435	0	1.107724	0.345	Retain the null hypothesis	No Conclusion
I encountered with safety and security matters from the society	0.021739	-0.5	1.164076	0.783	Retain the null hypothesis	No Conclusion
I am discouraged by strong cultural taboos	0.173913	0	1.179536	0.25	Retain the null hypothesis	No Conclusion
When starting the business gender was a barrier for me	0.347826	1	1.196614	0.042	Reject the null hypothesis	agree
I have encountered with gender based violence conditions while running the business.	0.152174	0	1.228683	0.302	Retain the null hypothesis	No Conclusion

### ***Suggestions and policy implications***

The government and relative authorities could conduct awareness programs to economically inactive female population who have spare time to contribute to the development of the economic. Identified drivers of this study could be used to stimulate the desire for entrepreneurship in women, when conducting such programs. During these programs they could emphasize that women could be employers rather than being employees, they also can earn money for the wellbeing of the family without giving the entire responsibility to

the husband and they will have time to pay more devotion to family. In advance, this provides a opportunity for women to be economically independent. This will increase the income and wellbeing of the family. Hence reducing the poverty and will ultimately contributes to the expansion of the whole economy.

Financial institutes with the collaboration of the government could conduct workshops based awareness programs for the women entrepreneurial groups in the society in order to foster the financial

literacy of women in terms of high-risky unregulated saving systems, government tax policy, inflation rates and, stock market. Similarly, these programs should focus on highlighting the importance of working on their retirement plans.

Identified barriers of this study should take into account, during the policy formulation to empower the women in rural community. In this context, they could introduce new loan schemes with low interest rates, establish niche markets to sell their finished goods and enhance the proper market accessibility and infrastructure. Extension services should focus on providing knowledge and training on modern technology in order to accoutre women in knowledge.

## CONCLUSION

This study was conceived to identify the drivers and current status of financial literacy of the women entrepreneurs in floriculture industry. In addition to examine the socio economic and cultural barriers which hinder women participation in entrepreneurship and innovation. The study noticeably revealed need to earn money and financial necessity are the major drivers to start a new business. Women entrepreneurs were not aware about the high-risky unregulated saving systems, government tax policy, inflation rates and, stock market. Therefore the authorities should focus on these findings when enhancing the financial literacy of women entrepreneurs. The idea that the findings of constraints of women entrepreneurship could provide valuable data in the preparation policies that would be in line with the development of women entrepreneurship in Sri Lanka. Consequently government can implement development programs to raise women entrepreneurship in floriculture. Working on this basis, it is critical that developing countries must discover development prospects of entrepreneurial talent and must provide the opportunities for Entrepreneurial characteristics in Sri Lanka.

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