

# MOTIVATIONS, SUCCESS FACTORS AND FIRM'S PERFORMANCE: A STUDY ON INDIAN WOMEN ENTREPRENEURS

Dr. V. Vidya Chellam,  
Assistant Professor,  
Department of Management Studies, DDE,  
Madurai Kamaraj University, Madurai – 21, Tamilnadu, India.

## ABSTRACT

The purpose of this paper is to investigate the key factors affecting the success of women entrepreneurs who own and manage Small and Medium Enterprises (SMEs) in India. 497 women entrepreneurs who own SMEs in Madurai, South India were randomly selected for a survey. The study employed a structured questionnaire survey approach to collect data. 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). Cronbach's  $\alpha$  test have been carried out to test the reliability of data. The perceived financial performance of the SMEs was 77 per cent predicted by motivational and success factors. Perceived non-financial performance of the SMEs was 21 per cent predicted by motivational and success factors. Individual performance of the women entrepreneurs was 29 per cent predicted by significant success factors like leadership and interpersonal skills. Most of the studies focused on women entrepreneurship have taken either their motives or the hurdles faced by them into consideration. Moreover, only a few studies have been carried out in India world particularly in Tamilnadu. Therefore, this study is an attempt to fill the gap and contribute to a better understanding of India's women-owned SMEs.

Keywords: Women entrepreneurs, Small and medium enterprises, Success factors, Motivational factors, Firm performance

## 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 access, limited mobility and access to information to starting and growing their business (Brindley, 2005). Women entrepreneurs can make a powerful role in the economic well-being of the family and their communities, reduction of poverty and empowering women. Thus the 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 a significant role in the entrepreneurial landscape (Pages, 2005). Now women have taken up an entrepreneurial role in order to make 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 behaviour are instructed to them, Indian women will show themselves to be highly possible dynamic force for the development of the country. Numerous investigations deal with entrepreneurial orientations and firm's performance and very fewer studies have been

investigations 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 & Westhead 1994). Nguen (2005) study deals with some factors that force women to leave their corporate jobs and other household activities to become entrepreneurs. Some researchers have studied the restrictions and boundaries faced by women when they decided to start up their own venture (Chandralekha et al, 1995; Gundry et al., 2002; Winn, 2005). Most of the women start their own business to afford a better-balanced life. All the way through incessant struggles, there has been a lot of stories of the successful women entrepreneurs who make it big in the real business world (Nguen, 2005). Thus, it is time to make out what factors manipulate and influence women entrepreneurs' success in India.

According to the Buttner & Moore (1997) study explained that the firm's performance is generally considered from the financial viewpoint of growth in sales/service or by the increase in incomes. As most entrepreneur's associate money and profits are the best way to measure business performance. Many women have defined business performance and success from an economic viewpoint. Performance of the women entrepreneurs in small firms has a different kind of contributing success factors like good managerial quality, interpersonal qualities, satisfactory government support and support from family and friends (Yusuf, 1995).

A 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 & Dave, 2004). Chay (1993) study reveals social support and skills powerfully ties in the business world to help women entrepreneurs in achieving better performance in their business.

Findings from a study by Nafziger (1969) indicate internal motivation is another set of important factors that can contribute to increasing the business performance. Sanberg (1986) study indicates that the need for accomplishment and locus of control also influences the business performance. Smith et al (1987) study reveal a significant relationship between an entrepreneur's motivation and growth. Swierczek & Thai (2003) research findings conclude that motivation of the entrepreneurs is positively correlated with entrepreneurial orientation and entrepreneurs are mostly motivated by challenge and achievement than the economic security and career.

Robichaud, McGraw and Roger (2001) research work tried to reveal the determinants of motivation categories that lead to business success and their studies reveal that motivation of women entrepreneurs falls into different categories like independence, essential rewards and security. In addition, these factors decide the motivation level of entrepreneurs which effects on 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 are the strongest motivational factors that motivate to start their own business (Chu, Benzing & McGee 2007). Some other psychological factors such as feeling independence, creative and innovative directions, approach toward taking the risk and a spirited nature are significantly related with success of the business (Frese, et al., 2002), and they are significant depends upon the different and difficult business environment.

Hung, et al., (2011) study results indicate entrepreneurs recommended that increasing profit, becoming their own boss, and to prove that they can succeed were the most important reasons. 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 article is to examine various motivators and success factors in women-owned SMEs and related them to the firm's performance and success of the Indian women entrepreneurs.

## MATERIALS AND METHODS

560 SMEs owned by women entrepreneurs in Madurai, South India were randomly selected for a survey, which analyzed to determine motivations, success factors and their firm's performance. The study employed a structured questionnaire survey approach to collect data. 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 authors distributed 560 questionnaires to the owners of the SMEs. Of the 560 questionnaires distributed, 500 responses were received (89 per cent response rate) and three of them were incomplete. The remaining 497 were valid and they were used for the quantitative analysis.

Three different dimensions were adopted for the study performance of the firm that consisting of financial performance, non-financial performance and individual performance. The financial performance measures included an increase in return on investment, sales volume, number of employees and firm's size in terms of space and equipment. Reduction in complaints, increased customer retention, employee commitment, popularity of the firm and innovated products and services were considered as non-financial measures (Dess & 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. Two different dimensions were adopted to study the motivation factors of the women entrepreneurs that include push and pull factors. Push motivational measures include I had to choose this due to my jobless situation, I had a 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 business, 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 differently 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 variables are considers as a pull motivational factors. Success factors are six different dimensions like a 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 factor was measured using Cronbach alphas measures. Both measures of reliability were more than the suggested minimum standard of 0.60 (Baker, Parasuraman, Grewal, & Voss, 2002; Nunnally, 1978). For all motivation factors, performance factors and success factors, the measures of reliability are above 0.60 (Table 1). Above summarizes all measurement items, Cronbach alphas and their scales for all the items.

**Table 1: Reliability and Inter Correlations motivational, success and performance factors**

Variables	1	2	3	4	5	6	7	8	9	10	11	$\alpha$ 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&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	0.8

\*  $p < .01$ 

Note: 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&BR-Always to be informed & Business reputation, FP-Financial performance, NFP-Non financial performance, IP-Individual performance.

From the inter-correlation results (Table 1), it can be concluded that push and pull motivational factors having a strong positive relationship with the financial, non-financial and individual performance of the SMEs. Position in society, interpersonal skills, approval and support, competitive product/service, leadership skills, always to be informed & business reputation success factors having a strong positive relationship with the financial, non-financial and individual performance of the firm significant at 0.01 level.

**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
	Always to be informed & Business reputation	3.75

Performance of the firm (14 items)	Financial performance	4.04
	Non financial performance	3.37
	Individual performance	3.26

Descriptive statistics (Table 2) result shows that push motivational factors (mean=3.92) was 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 & business reputation (mean=3.75) was the top-ranked factors. In performance factors, the perceived financial performance of the company was the top-ranked factors with the mean value of 4.04.

The multiple regressions are applied to analyze the motivational and success factors as independent variables against a separate measure of performance of SMEs as the dependent variable. The items are summed up to reproduce the eight dimensions, which are analyzed separately against the different levels of SMEs performance.

**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	0.37	1.58	-0.75	-1.74	0.45	1.09
Push factors	0.70	20.20**	0.14	2.23**	0.10	1.68
Position in society	-0.22	-6.10**	0.00	0.03	0.10	1.63
Interpersonal skills	-0.29	-5.27**	-0.46	-4.57**	-0.64	-6.80**
Approval and support	0.43	2.98**	0.38	1.42	-0.04	-0.16
Competitive product/service	-0.07	-0.75	0.22	1.24	-0.22	-1.33
Leadership skills	-0.19	-5.30**	0.13	2.05**	-0.26	-4.27**
Always to be informed & Business reputation	0.04	0.72	0.09	0.98	0.02	0.26
<b>F</b>	<b>204.19</b>		<b>16.35</b>		<b>25.19</b>	
<b>R</b>	<b>0.876</b>		<b>0.456</b>		<b>0.537</b>	
<b>R<sup>2</sup></b>	<b>0.767</b>		<b>0.208</b>		<b>0.289</b>	
<b>Adjusted R<sup>2</sup></b>	<b>0.763</b>		<b>0.196</b>		<b>0.277</b>	

\*\* p<.01

The ANOVA result shows F-Ratio for the regression model, which indicates the 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 significance value of the F-Statistic is less than 0.05. So the group of variables motivational and success factors can be used to reliably predict the different perceived performance of the SMEs. From the above



table R2 values indicating that perceived financial performance of the SMEs was 77 per cent predicted by motivational and success factors. Push motivational factors, success factors like a position in society, interpersonal skills, approval and support for family and friends and leadership skills were the significant predictors of the perceived financial performance of the SMEs. Perceived non-financial performance of the SMEs was 21 per cent 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 SMEs. Individual performance of the women entrepreneurs was 29 per cent predicted by significant success factors like leadership and interpersonal skills.

## DISCUSSION AND CONCLUSION

The findings related to the objectives revealed that the correlation between the motivational factors and successive factors are strong, positive and significant. The finding of the study directly reliable with the results of Kuratko, Hornsby & Naffziger (1997) and it concludes motivational factors leads to entrepreneur's success. From the multiple regressions shows perceived financial performance of the SMEs were predicted by motivational and success factors and findings directly consistent with results of Benzing, Chu & Szabo (2005). Based on the push and pull motivational factors and their research findings it concludes that motivational factors are basic in developing the performance of the firm. From the different research, results supported that to having a great deal of money and increase the profit was the most important reason that pulling the women for entrepreneurs chooses to own a business. In this particular business field, qualification of the women entrepreneur was also vital pushing factor to start the SMEs. Achieving greatest things, personal satisfaction (Blanchflower & Oswald,1998), high degree of opportunities in the market, urged for freedom and independence were some important pulling factors for women entrepreneurs to start own business (Frese, et al., 2002). In India, pushing motivational factors are prevailing than pulling motivational factors. Change on business motives would almost certainly increase the performance of the SMEs. However, this modification has to be directed not to be modifying current motives. Based on the six success factors resulted from Stefanovic, et al., (2010) study also contributing for SMEs success like a position in society, interpersonal skills, approval and support, competitive product/service, leadership skills, always to be informed & business reputation would help to increase performance.

For developing counties like India in the economic 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, creating a supportive environment for women entrepreneurs all the way through motivational, and success stimulating activities.

## PRACTICAL AND THEORETICAL IMPLICATIONS

From the findings, we might want to make a few suggestions for government authorities, banks and all present and future women entrepreneurs: Government should take more efforts to help women entrepreneurs in their business. Government or other concerned experts are prescribed to take activities in giving specialized abilities to women entrepreneurs through training, workshops and persuasive courses to make entrepreneurial spirits and certainty so they are prepared to take difficulties in business and endure the challenge. Women entrepreneurs ought to be given more help as far as funds as well as regarding foundation and good help so their accomplishment can be expanded to the most astounding conceivable dimension. Banks ought to likewise attempt efforts to limit the procedures to verify credit and furthermore by charging them the base rate of interest. Women entrepreneurs in India based SMEs should impart their encounters at various stages to other female entrepreneurs to gain from the prescribed procedures from one another. Furthermore, they should likewise make entrepreneurs' relationship to examine the few different ways to tackle lawful and social issues, which they face in the business with the goal that they can improve their business. To grow the tasks of their organizations, they can generally search for extra help from NGOs, microfinance foundations who lean toward helping female customers and in particular, they should approach settled women entrepreneurs for the data and support.

Improving the possibility of success for women entrepreneurs requires persevering and consistent efforts with respect to the government. This research is planned to give suggestions to choice and policymakers to give offices to women entrepreneurs to guarantee that they play a significant job in financial advancement. Longitudinal study in this space can research after some time the effect of open policy enhancements and different changes in the economy on women entrepreneurs in India. Future research can likewise analyze the effect of women entrepreneurs on developments in the economy. On the off chance that learned and spurred women to have the chance to utilize their insight by making adventures through family and outer help (Gupta & Mirchandani, 2018), they might be drivers of advancement. What's more, future research could concentrate on examining the research inquiries by division, and afterwards contrast the outcomes with different nations by area, just as around the world. These correlations may offer some valuable data to policymakers about current national activities positively affecting serious issues concerning obstacles and working solutions.

## REFERENCE

- Alam, S. S., Jani, M. F. M., & Omar, N. A. (2011). An empirical study of success factors of women entrepreneurs in southern region in Malaysia. *International Journal of economics and Finance*, 3(2), 166-175.
- Baker, J., Parasuraman, A., Grewal, D., & Voss, G. B. (2002). The influence of multiple store environment cues on perceived merchandise value and patronage intentions. *Journal of marketing*, 66(2), 120-141.
- Benzing, C., & Chu, H. M. (2005). Entrepreneurial Behavior in Andhra Pradesh, India. *proceedings of the Association of Global Business*.
- Benzing, C., Chu, H. M., & Kara, O. (2009). Entrepreneurs in Turkey: A factor analysis of motivations, success factors, and problems. *Journal of small business management*, 47(1), 58-91.
- Benzing, C., Chu, H. M., & Szabo, B. (2005). Hungarian and Romanian entrepreneurs in Romania-motivations, problems, and differences. *Journal of Global Business*, 32, 77.
- Birley, S., & Westhead, P. (1990). Growth and performance contrasts between 'types' of small firms. *Strategic management journal*, 11(7), 535-557.
- Blanchflower, D. G., & Oswald, A. J. (1998). What makes an entrepreneur?. *Journal of labor Economics*, 16(1), 26-60.
- Brindley, C. (2005). Barriers to women achieving their entrepreneurial potential: Women and risk. *International Journal of Entrepreneurial Behavior & Research*, 11(2), 144-161.
- Buttner, E. H., & Moore, D. P. (1997). Women's organizational exodus to entrepreneurship: self-reported motivations and correlates with success. *Journal of small business management*, 35, 34-46.

- Chandralekha, K., Lavoie, D. F. K., & Aparna, I. (1995). Making of rural entrepreneurs-role of support systems. In *Internationalising Entrepreneurship Conference in Bunbury, Australia*.
- Chay, Y. W. (1993). Social support, individual differences and well-being: A study of small business entrepreneurs and employees. *Journal of occupational and organizational psychology*, 66(4), 285-302.
- Chu, H. M., Benzing, C., & McGee, C. (2007). Ghanaian and Kenyan entrepreneurs: A comparative analysis of their motivations, success characteristics and problems. *Journal of developmental entrepreneurship*, 12(03), 295-322.
- Chu, H. M., Kara, O., Zhu, X., & Gok, K. (2011). Chinese entrepreneurs: Motivations, success factors, problems, and business-related stress. *Journal of Chinese Entrepreneurship*, 3(2), 84-111.
- Dess, G. G., & Robinson Jr, R. B. (1984). Measuring organizational performance in the absence of objective measures: the case of the privately-held firm and conglomerate business unit. *Strategic management journal*, 5(3), 265-273.
- Fielden, S. L., & Dawe, A. (2004). Entrepreneurship and social inclusion. *Women in Management Review*, 19(3), 139-142.
- Frese, M., Brantjes, A., & Hoorn, R. (2002). Psychological success factors of small scale businesses in Namibia: The roles of strategy process, entrepreneurial orientation and the environment. *Journal of developmental Entrepreneurship*, 7(3), 259-282.
- Gundry, L. K., Miriam, B. Y., & Posig, M. (2002). Contemporary perspectives on women's entrepreneurship: A review and strategic recommendations. *Journal of Enterprising Culture*, 10(01), 67-86.
- Gupta, N., & Mirchandani, A. (2018). Investigating entrepreneurial success factors of women-owned SMEs in UAE. *Management Decision*, 56(1), 219-232.
- Kuratko, D. F., Hornsby, J. S., & Naffziger, D. W. (1997). An examination of owner's goals in sustaining entrepreneurship. *Journal of small business management*, 35(1), 24.
- Nafziger, E. W. (1969). The effect of the Nigerian extended family on entrepreneurial activity. *Economic Development and Cultural Change*, 18(1, Part 1), 25-33.
- Nguyen, M. (2005). Women entrepreneurs: Turning disadvantages into advantages. *Pre-Flight Ventures*. Viewed October, 1, 2012.



- Nunnally, J. C. (1978). *Psychometric theory*. New York: McGraw-Hill.
- Robichaud, Y., McGraw, E., & Alain, R. (2001). Toward the development of a measuring instrument for entrepreneurial motivation. *Journal of developmental entrepreneurship*, 6(2), 189.
- Rogers, C. R. (1995). *A way of being*. Houghton Mifflin Harcourt.
- Rosa, P., Carter, S., & Hamilton, D. (1996). Gender as a determinant of small business performance: Insights from a British study. *Small business economics*, 8(6), 463-478.
- Sandberg, W. R. (1986). *New venture performance: The role of strategy and industry structure*. Lexington Books.
- Shane, S., Kolvereid, L., & Westhead, P. (1991). An exploratory examination of the reasons leading to new firm formation across country and gender. *Journal of business venturing*, 6(6), 431-446.
- Smith, N. R., Bracker, J. S., & Miner, J. B. (1987). Correlates of firm and entrepreneur success in technologically innovative companies. *Frontiers of Entrepreneurship Research: Babson Collage Press*, 57-71.
- Stefanovic, I., Prokic, S., & Ranković, L. (2010). Motivational and success factors of entrepreneurs: the evidence from a developing country. *Zbornik radova Ekonomskog fakulteta u Rijeci, časopis za ekonomsku teoriju i praksu-Proceedings of Rijeka Faculty of Economics, Journal of Economics and Business*, 28(2), 251-269.
- Swierczek, F. W., & Thai, T. H. (2003). Motivation, entrepreneurship and the performance of SMEs in Vietnam. *Journal of Enterprising Culture*, 11(01), 47-68.
- Winn, J. (2005). Women entrepreneurs: can we remove the barriers?. *The International Entrepreneurship and Management Journal*, 1(3), 381-397.
- Yusuf, A. (1995). Critical success factors for small business: Perceptions of South Pacific entrepreneurs. *Journal of small business management*, 33(2), 68.