

PERSONAL FACTORS AND ENTREPRENEURIAL SUCCESS: A STUDY OF WOMEN HEADED FAMILIES IN AMPARA DISTRICT

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Introduction

Women entrepreneurs especially in micro businesses play a crucial role in rural economic development. Entrepreneurship is an attitude that reflects an individual's motivation and capacity to identify an opportunity and to pursue it in order to produce new value or economic success. This attitude is crucial for competitiveness, because new entrepreneurial initiatives raise the territory's productivity, increasing competitive pressure and encourage innovation. Entrepreneurship plays an important role in the economy of a country (Stokes, 1998; & Zhao, 2005).

Segal et al. (2005) stated, "Being an entrepreneur, one who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else. Entrepreneurs accept the personal financial risks that go with owning a business but also benefit directly from the potential success of business". Very limited attention is given to the issues of whether entrepreneurs ever achieve their personal goals, which can often be their initial motivation for starting a business. Measuring the success of the small business is likely to reflect a combination of the personal characteristics and attributes of the entrepreneur together with their reasons for surviving in the business. Whenever efforts are made to induct people to entrepreneurial career, the entrepreneurial qualities such as innovation, creativity, risk taking, perseverance are generally found lacking in women entrepreneurs. These are required to be aroused to an extent that people may opt for entrepreneurial career. This basic requirement and much needed force to drive people to their new ventures. Left to themselves such qualities and motivation will be developed in only very few. Kumar and Kamalanabhan (2005) found that, the personality factors- perceived control, optimism and change self-efficacy indicated a significant relationship with businesses' survival.

Starting up a new firm is very much an individual decision, which is why the individual's qualities as an entrepreneur are central in the investigation of entrepreneurship (Littunen, 2000). Starting a business is simply a rational choice faced by an individual who chooses between uncertain self-employment, having certainty as an employee and possibly unemployment, based on the expected utility in each state. The factors influencing that choice are entrepreneurial talent, attitude to risk and switching costs (Storey, 2006). And personal factors are the most important thing in order to assure their survival in the industry.

Hence, the research question is "To what extent the entrepreneurial personality factors influence to entrepreneurial success?" accordingly, the research aims to study the women entrepreneurs' personal factors and the association of business growth in micro businesses among women headed families in Sri Lanka.

Methodology

For the purpose of study, data collected from 210 respondents from micro businesses among women headed families in Ampara district using convenience sampling method, mainly with the use of structured questionnaire and interview. Factor analysis was done. Correlation and regression was mainly used to see the association between personal factors and business growth. Personal factors has been measured by personality factors with the dimensions of need for achievement, self-confident and autonomy and background factors with the dimensions of age, education, family background and mentors whereas entrepreneurial success was measured by sales growth, profit growth and survival for number of years. Self-administered questionnaire was issued for this purpose and the research duration was around six months. Pilot study and reliability analysis was done to see the inter item consistency of the questionnaire and content validity. Accordingly alpha values for personal factors was 0.705 and for entrepreneurial success was 0.698 both showed a good inter item consistency of the instrument.

Discussion and Conclusion

The significance of the study especially to women entrepreneurs in micro business sector which are contributing a lot for the development of national economies. Many women entrepreneurs in developing countries such as Sri Lanka face many challenges while they are operating their businesses such as existence and survival, innovation etc. with the available information and training and institutional support they may be unable to survive in the industry.

Need for achievement, autonomy, self-confident are the most important personality factors for business growth of women entrepreneurs and background factors such as age, education and family background also contribute for the business growth of women entrepreneurs in micro businesses. It was found that personality factors such as need to achieve and self-confidence are lacking in women entrepreneurs in Ampara district.

It is proved that there is a positive relationship between the personal factors and business growth where $r = 0.476$, $p=0.000$) in micro businesses women entrepreneurs. When the women entrepreneurs have higher need for achievement and self-confident they can succeed their businesses and survive in the industry. And knowledge and family support also essential for business successes. These are found lacking among women entrepreneurs in Ampara district. Institutional or formal support should be given empowerment training program especially in personality development. Considering the contribution made by small business sector especially in micro businesses run by women entrepreneurs, government or nongovernmental organization may take necessary step to enhance their personal characteristics to face the business challenges in all aspects.

Hence, 23.1% of the variance in entrepreneurial success ($r^2=0.231$) was significantly explained by personality characteristics in this study, still leaves 86.9% unexplained. So, further research might be necessary to explain more of the variance in entrepreneurial success.

Accordingly, the findings might be immense value to enhance women entrepreneurship in developing countries, such as Sri Lanka, as much research has not been conducted in this regard.

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