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Evaluation of Entrepreneurial Success among Businesswomen in Vietnam

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Abstract

Entrepreneurship is the process of creating and developing a new business (Shane & Venkataraman, 2000) ^[18], which not only provides goods or services but also creates employment opportunities for workers. Active and contributes to the national budget and economic development of that country. Research on starting a business has been more about clarifying the influence of factors on the intention of starting a business, but there have not been many studies on entrepreneurial success, the determinant of the meaning of starting a business. Entrepreneurial success is interpreted based on assessing success from both objective and subjective perspectives (long-term and short-term). This paper aims at providing a comprehensive empirical examination

regarding entrepreneurial success among businesswomen in Vietnam. By drawing the concept from the previous studies, the study explores entrepreneurial success among businesswomen as a profit determinant. We used primary data from a survey of 500 businesswomen in Vietnam during 2021–2023, and there were 364 valid survey questionnaires included in the analysis, including descriptive statistics and reliability analysis of scales. Our findings suggest that entrepreneurial success among businesswomen in Vietnam is highly appreciated. Based on the research findings, our study emphasizes that entrepreneurial success among businesswomen in Vietnam needs urgent improvement to support the business performance of firms.

Keywords: Entrepreneurial Success, Business Women, Business Administration

JEL codes: M31, M10, M20

1. Introduction

Many studies focus on explaining entrepreneurial skills for businesswomen. Independent business ownership seems to be a good fit for female entrepreneurs who want to have both a career and a family. Businesswomen seek to start a business with the following desires: flexibility and autonomy, personal satisfaction and development, income, and prestige (Scott, 1986; Orhan and Scott, 2001) ^[19, 17]. Like male entrepreneurs, some female entrepreneurs start a business because of an idea or innovation. Businesswomen choose to start their own business because of work experiences that are dissatisfying with their current job. Many businesswomen, before starting their businesses, were disappointed with strict and inflexible working environments (Hewlett, 2002) ^[12] and did not achieve higher management positions because of social beliefs about women, believing that working in large firms would not meet their personal situations or achieve their career goals (Moore & Buttner, 1997) ^[16]. There are also reasons why entrepreneurial businesswomen are unemployed, such as layoffs. Or female entrepreneurs start a business as part of a family where they are responsible for a business they did not create or do not wish to create (Goffee & Scase, 1985) ^[9].

Vietnam currently has 95,906 firms operated and managed by businesswomen, accounting for about 21% of the total number of operating firms. The majority of them are small and medium-sized enterprises. The proportion of large enterprises owned by businesswomen is only 1%, equivalent to 854 enterprises (General Statistics Office, 2014) ^[8]. Thus, the business segment of businesswomen is mainly small and medium enterprises. The enterprises of Vietnamese businesswomen increasingly play a significant role and contribute to the development of the economy by creating jobs and using local resources to create growth momentum.

Entrepreneurship plays an important role in the socio-economic development of each country (Duong *et al.*, 2023) ^[5].

Entrepreneurship has been a topic of interest to policymakers and researchers in the world and Vietnam for many decades. However, research on entrepreneurs to date has often focused on clarifying the influence of factors on business start-up intention (Fayolle & Liñán, 2014) ^[6], but there has not been much research on entrepreneurial success, a factor that determines the meaning of entrepreneurial activities (Staniewski & Awruk, 2018) ^[20].

2. Literature Review

Entrepreneurship is the process of creating and developing a new business (Shane & Venkataraman, 2000) [18], which not only provides goods or services but also creates employment opportunities for workers. Active and contributes to the national budget and economic development of that country.

Orhan and Scott's (2001) [17] model explains the reasons why entrepreneurial businesswomen benefit from "push" and "pull" factors. The classification of entrepreneurial businesswomen's reasons for starting a business stems from traditional cultural characteristics. If women live in a culture associated with high female traditions with a foundation of male dominance, then women decide to become entrepreneurs due to family business traditions, inheritance from their ancestors husbands (when the husband dies), or push factors (necessity). If women live in a culture with little attachment to women's traditions, the reason for becoming entrepreneurs may be that the entrepreneurial personality trait is implicit in their awareness, or due to the advancement of women through training and education, women see business as necessary and an opportunity to become entrepreneurs.

Researching the reasons for entrepreneurial behavior according to the "pull" and "push" theories shows that the impact of environmental circumstances and personal awareness creates factors that motivate women to become entrepreneurs in all aspects, positive and negative. Research results show that in different countries with different cultures, the reasons why women become entrepreneurs are also different according to three trends: Trend 1: "push" factors and side effects of women becoming entrepreneurs (Hisrich & Brush, 1987) [13]; trend 2: "pull" factors influencing women to become entrepreneurs (Ismail, 2012) [15]; and trend 3: factors influencing women to become entrepreneurs Entrepreneurship includes both pull and push factors (Orhan & Scott, 2001; Baron & Shane, 2005) [17, 1]. In countries with developed economies and the advancement of women, the "pull" factor has a greater impact. Countries with developing economies and traditions associated with women are more affected by "push" factors.

3. Methodology

3.1 Sampling

The subjects of the investigation were identified as businesswomen in Vietnam. To obtain this sample size, 500 questionnaires were distributed in person and online via Google Docs. As a result, 364 valid votes were obtained.

Table 1: Respondents by family platforms and activity locality

	Frequency	Percent	Cumulative Percent
Family platforms			
The respondents have family members who have entrepreneurial success.	228	62.6	62.6
The respondents do not have family members who have had entrepreneurial success.	136	37.4	100.0
Activity locality			
City	288	79.1	79.1
Countryside	76	20.9	100
Total	364	100.0	

Information on the data collected is shown in Table 1. It shows that among the 364 respondents, 228 of them (or

62.6%) have family members who have had entrepreneurial success, and 37.4% of the participants do not have family members who have had entrepreneurial success. Among the respondents, 79.1% of the participants worked in the city, and 20.9% worked in the countryside.

3.2 Measurement Tool Development

The study uses structured questions to survey individual opinions. The questions are based on previous studies. The study used interviews with five experts to adjust the wording of the questionnaire before the official survey (see Table 1). The 5-point Likert scale was selected to evaluate the observed variables, with 1 being completely disagreeing and 5 being completely agreeing.

3.3 Data Analysis Methods

The study used SPSS software with multivariate analysis to analyze the data. First, the scales were evaluated through descriptive statistics and, finally, by the Cronbach's alpha coefficient.

Table 2: Observed variables of entrepreneurial success among businesswomen in Vietnam

Code	Scale
Entrepreneurial success among businesswomen (ES)	
ES1	My firm's market is increasingly expanding compared to previous years.
ES2	My firm's sales increased compared to previous years.
ES3	My firm's profits increased compared to previous years.
ES4	The number of employees in my firm has increased compared to previous years.
ES5	The number of customers in my firm increased compared to previous years.

4. Research Results

4.1 Descriptive Statistics

Table 3 indicates that the respondents agree with the dependent variables of entrepreneurial success among businesswomen in Vietnam, where five attributes were quite high. All five attributes were rated at an average of 3.43 or higher.

Table 3: Descriptive analysis of attributes

Code	N	Mini	Max	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
ES1	364	1	5	3.45	.673	-.089	.128	1.128	.255
ES2	364	1	5	3.54	.814	-.448	.128	.811	.255
ES3	364	1	5	3.65	.745	-1.092	.128	2.247	.255
ES4	364	1	5	3.43	.659	-.163	.128	1.148	.255
ES5	364	2	5	3.46	.817	.286	.128	-.452	.255
Valid N (listwise)	364	1.40	4.80	3.50	.570	-.626	.128	3.20	.255

4.2 Cronbach's Alpha

The entrepreneurial success among businesswomen in Vietnam has been measured by Cronbach's alpha. The results of testing Cronbach's alpha for attributes are presented in Table 4 below. The results also show that attributes of the dependent variables have Cronbach's alpha coefficients that are greater than 0.6, and the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the dependent variables are statistically significant (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) [14, 10, 11].

Table 4: Results of Cronbach's alpha testing of attributes and item-total statistics

Cronbach's Alpha			N of Items	
.824			5	
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ES1	14.08	5.823	.569	.803
ES2	13.99	5.149	.626	.787
ES3	13.88	5.265	.674	.772
ES4	14.10	5.724	.624	.789
ES5	14.07	5.179	.612	.792

5. Discussion and Implications

According to data from the Business Registration Department, Ministry of Planning and Investment (2017), in 2016, Vietnam had 34,571 firms established by businesswomen, compared to a total of more than 110,000 newly established firms. The rate of newly registered businesswomen's firms has been very stable over the past 5 years, fluctuating from 30% to 32%.

However, in the past 5 years, the rate of businesswomen's firms ceasing operations or dissolution is a small percentage compared to the rate of establishing new firms, but the rate of firms ceasing operations increased from 2.3% per year in 2012 to 10% in 2016. The rate of businesswomen's firms going bankrupt or dissolving increased from 10.9% to 27.9% in the same period. This shows that, besides successful businesswomen, the number of failed businesswomen is also increasing.

Firms run by businesswomen are often small enterprises operating in traditional fields. Several studies have pointed to the fact that businesswomen, compared to businessmen, are more involved in small and medium-sized enterprises, and they are considered very successful in this field (Brush *et al.*, 2006; Butler, 2003; Coughlin, 2002) [2, 3, 4]. These studies confirm that entrepreneurial businesswomen are the fastest-growing segment among small and medium-sized enterprises, with numbers increasing significantly since 1980. Small and medium-sized enterprises grow faster than the economy as a whole in some countries (Moore & Buttner 1997 [16]). Butler's (2003) [3] study found that female entrepreneurs in Greece, Austria, the UK, Denmark, the Netherlands, and France are mainly entrepreneurial businesswomen who create small and medium-sized enterprises.

Although little is known about businesswomen in developing countries, Tinker (1990) [21] found that firms run by businesswomen are mainly concentrated in small and medium-sized enterprises in traditional and service industries. Tinker (1990) [21] also said that, compared to entrepreneurial businessmen, entrepreneurial businesswomen are mainly small and medium enterprises. According to Coughlin (2002) [4], millions of businesswomen are indirectly linked to international markets through small and medium-sized enterprises, including small factories, or as home workers for export industries. Businesswomen's small and medium-sized businesses focus on sectors such as agriculture, textiles, and clothing. Coughlin (2002) [4] finds that these sectors are becoming more closely integrated into the global trading system.

Studies exploring why entrepreneurial businesswomen are concentrated mainly in small and medium-sized enterprises

suggest that the nature of small and medium-sized enterprises is very beneficial for businesswomen. Small and medium-sized businesses help businesswomen combine taking care of their families and generating income at the same time. Some studies suggest that the motivation for businesswomen to establish small and medium-sized businesses is the desire to be independent and have control over their lives, not necessarily to make a lot of money (Fielden & Davidson, 2005) [7]. Research by Hisrich and Brush (1987) [13] suggests that businesswomen often prefer a rustic-oriented and less authoritarian management style. Rarely do businesswomen have formal operating policies, formal planning processes, or job descriptions. This is more suitable for small and medium-sized enterprises, especially small and micro enterprises. Another reason in research for businesswomen's preference for small and medium-sized enterprises is the lower cost of entrepreneurship (Therrien *et al.*, 1986).

Businesswomen perform well in the industry and contribute immensely to the economic, social, and political progress of many countries. In Australia and the United States, for example, progress among businesswomen has been significant and steady over the past two decades. Studies have shown that the number of businesses created and managed by businesswomen in the United States has grown at twice that of businessmen (Brush *et al.*, 2006; Coughlin, 2002) [2, 4].

In terms of the role of businesswomen in economic development, businesswomen play a very important role in developing countries in using local resources and creating jobs for themselves, their families, and local labor. Thereby improving lives and contributing to the growth and development of the local economy. Thus, research on entrepreneurial success among businesswomen in Vietnam is very necessary, especially for countries with transition economies like Vietnam. Their success in maintaining and developing businesses that create jobs and income for society is the premise for Vietnam's economic growth and development. Understanding entrepreneurial activities and factors affecting entrepreneurial success among businesswomen in Vietnam helps policymakers create a favorable entrepreneurial environment to help businesswomen achieve success.

Socially, the creation of small and medium-sized enterprises can give businesswomen the ability to balance work and family responsibilities, thus contributing to the family and improving social cohesion (Brush *et al.*, 2006; Coughlin, 2002) [2, 4]. Balancing career and family responsibilities can be a challenge for businesswomen. At the same time, the increased autonomy of businesswomen in creating and managing small and medium-sized enterprises can enable businesswomen to play a more proactive and representative role in the economic and social life of their country's politics, helping to reduce gender disparities. Businesswomen are recognized as key economic actors in innovation and job creation. Small and medium-sized enterprises provide these businesswomen with important opportunities to develop their employability skills and business and management potential.

Financial capital comes from the businesswoman herself, her surrounding relatives, sponsorship sources, and loan sources. Therefore, before becoming entrepreneurs, women need to have a financial capital plan to ensure enough to maintain operations during the business start-up period and

a backup source when risks occur. Financial capital has the most important impact on entrepreneurial success among businesswomen. Therefore, planning for financial capital and mobilizing financial capital during the entrepreneurial process are very important. With a good financial plan, the success of female entrepreneurs will increase significantly. Many studies show that entrepreneurs participating in community networks will access new knowledge about business, technology, market information, and resource information. From there, businesswomen can identify business strategies that bring them success. Therefore, establishing networks is very necessary for entrepreneurs, especially Vietnamese businesswomen, who rarely focus on this activity.

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