Life Cycle Development of Successful Women-owned Enterprises

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Abstract

In developing countries, the role of women in the business sector is continuously improving. As a result, female enterprises have also been encouraged in Pakistan. This study is based on life cycle development phases from which women-owned enterprises have to go through in order to become successful. As a primary data source, face-to-face interviews with owners of successful women-owned enterprises were preferred. The data collection process was divided into two phases i.e. Phase-I and Phase-II. After data collection, qualitative analysis has been performed using NVIVO. Findings provide both generic and specific factors involved in life cycle development of women-owned enterprises. This study provides a detailed view of life cycle development model followed by successful women enterprises. The outcome of this research work is a theoretical finding which can be utilized by entrepreneurs owning small scale enterprises to improve their level of performance. Findings can also be helpful for potentially talented women interested in setting up their own business.

Keywords: Life Cycle Development (LCD), Women-Owned Enterprises (WoEs), General Determinants, Specific Determinants.

INTRODUCTION

Participation of women in different entrepreneurial activities has been dramatically increased since 1970s. These activities help them to improve their life style and secure the future of their children (Stupnytska et al., 2014). Concept of Entrepreneurship was not new for women but they were never encouraged to come up with their ideas due to limited resources and community trends (Kirkwood, 2009). As a result of rapid change in social and economic culture, Opportunities are now equally provided to both males and females to start their own business (Ramadani, Gërguri, Dana, &Taşaminova, 2013). In order to successfully run a women owned enterprise and practically implement entrepreneurial behaviors, different development models were used by talented female entrepreneurs. These development models have been scrutinized by national and international researchers. In Pakistan, development models diverge from business to business but original concept stays same for all women owned enterprise. Present research study has been conducted to examine major factors involved in life cycle development model followed by successful women owned enterprises. A number of recently conducted business studies have highlighted the importance of women entrepreneurship and women owned enterprises (Anggadwita, Luturlean, Ramadani, &Ratten, 2017; Sarfaraz, Faghih, &Majd, 2014; Zahra, Wright, &Abdelgawad, 2014). However, few researchers have pointed out broad factors which can positively or negatively affect life cycle development phases of women enterprises. In this paper, generic as well as specific factors involved in life cycle development of successful women owned enterprises have been addressed in detail. Additionally, this research work is aimed at identification of relationship between highlighted factors and transition phases of business life cycle.

LITERATURE REVIEW

Literature has been visualized with the help of Venn diagram shown in Figure 1. Venn diagram has been divided into three main segments i.e. A, B and C. These segments include Life Cycle Development, Successful Small and Medium Enterprises and Women Entrepreneurs. Segments and their overlapping areas have been used for detailed review of relevant literature.

In developing and under developed countries, the idea of setting up and running a small or medium scaled enterprise cannot be ignored as a country’s socio-economic growth is now depending on such business ventures. Customer satisfaction is related to cost minimization, introduction to different products and on time services. Large organizations cannot satisfy all customers at a time. Therefore, over the past few decades, small and medium enterprises became more popular in business world (Thompson, Kwong, &Jones-Evans, 2012). Bula (2012) argued that entrepreneurship is a multidimensional concept as it covers a number of economic, socio-cultural, psychological and managerial perspectives. In Pakistan, entrepreneurial activities are important to minimize unemployment, increase income and indirectly poverty reduction (Salman, Arshad, &Bakar, 2016). In order to improve and prepare entrepreneurs and skilled people, small and medium enterprises (SMEs) provided them countless opportunities (Salim, 2017) (Muhammad Khalique , Nick Boutis , Jamal Abdul Nasir bin Shaari, 2015). Ahmad, Ramayath, Wilson, &Kummerow (2010) expressed that there is a direct relationship between a business venture’s success and entrepreneur’s
Tiwari & Buse (2007) pointed out another fact that impression and acceptance of women entrepreneurship is very positive in areas where birth rate is high. Typically, for a woman to be an entrepreneur, everything depends on customs of marriage. Development of women owned businesses totally depends on positive/negative social, cultural and economic situation of a country (Tiwari & Buse, 2007).

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Fig 1. Vien Diagram

In developing and under developed countries, the idea of setting up and running a small or medium scaled enterprise cannot be ignored as a country’s socio-economic growth is now depending on such business ventures. Customer satisfaction is related to cost minimization, introduction to different product and on time services. Large organizations cannot satisfy all customers at a time. Therefore, over the past few decades, small and medium enterprises became more popular in business world (Thompson, Kwong, & Jones-Evans, 2012). Bula (2012) argued that entrepreneurship is a multidimensional concept as it covers a number of economic, socio-cultural, psychological and managerial perspectives. In Pakistan, entrepreneurial activities are important to minimize unemployment, increase income and indirectly poverty reduction (Salman, Arshad, & Bakar, 2015). In order to improve and prepare entrepreneurs and skilled people, small and medium enterprises (SMEs) provided them countless opportunities (Salim, 2017) (Muhammad Khalique, Nick Bonitis, Jamal Abdul Nassir bin Shaari, 2015). Ahmad, Ramayah, Wilson, & Kummerow (2010) expressed that there is a direct relationship between a business venture’s success and entrepreneur’s personal, administrative and technical skills. Freiling (2008) highlighted difference between usefulness of entrepreneurship in small businesses and usefulness of entrepreneurship in large businesses. Small enterprises are more suitable for an entrepreneur to polish his/her skills and to be more successful. But business success is also linked with external environmental factors which cannot be ignored (Muhammad Khalique, Nick Bonitis, Jamal Abdul Nassir bin Shaari, 2015). Women are also actively working with men for better, healthy and successful life of their children. Schumpeter theory has clearly demonstrated that entrepreneurship by choice and by necessity are the two major motivational factors for a woman to work as an entrepreneur (Holmen, 2011). Entrepreneurship researchers claimed that female entrepreneurs can easily secure their future by sharing responsibilities with their men after starting own business (McGowan, Redeker, Cooper, & Greenan, 2012). Gandhi & Sharma (2014) pointed out another fact that impression and acceptance of women entrepreneurship is very positive in areas where birth rate is high. Typically, for a woman to be an entrepreneur, everything depends on customs of marriage. Development of women owned businesses totally depends on positive/negative social, cultural and economic situation of a country (Tiwari & Buse, 2007).

The idea of enterprise development was initially presented by (Greiner, 1997). After critically analyzing all growing organizations, he concluded that there are five different phases of a business development process. Each phase starts with an interval of expansion that ends with a management crisis as shown in Table 1:

Table 1: Enterprise Development Phases

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Growth</td>
</tr>
<tr>
<td>B</td>
<td>Creativity</td>
</tr>
<tr>
<td>C</td>
<td>Delegation</td>
</tr>
<tr>
<td>AB</td>
<td>Direction</td>
</tr>
<tr>
<td>AB</td>
<td>Co-Ordination</td>
</tr>
<tr>
<td>AC</td>
<td>Collaboration</td>
</tr>
<tr>
<td>ABC</td>
<td>Leadership</td>
</tr>
<tr>
<td>ABC</td>
<td>Control</td>
</tr>
<tr>
<td>ABC</td>
<td>Saturation among Employees</td>
</tr>
<tr>
<td>ABC</td>
<td>Red Tape</td>
</tr>
</tbody>
</table>

A very important model was developed by (Lewis & Churchill, 1983), based on the fact that previous models are not suitable for all enterprises, Churchill and Lewis suggested that, in order to successfully run a business venture, it is important for an entrepreneur’s to have a clear understanding of preliminary enterprise development stages. These five phases include Existence, Survival, Success, Takeoff and Maturity Figure 2.

RESEARCH METHODOLOGY AND ANALYSIS

Based on Churchill’s life cycle development model, interviews were divided into two phases. In phase one, questions associated with general factors involved in life cycle development of women owned enterprises were asked, documented and analyzed. Results obtained from interview phase one were used as an input to second phase. In phase two, questions related to specific factors involved in life cycle development of women owned enterprises were asked, documented and analyzed.
NVIVO 10 has been used for complete data analysis of interview questions answered by owners of forty different enterprises. NVIVO is very helpful software for analyzing all forms of unstructured data including text, pictures, audio and videos. Some of the important NVIVO tools used to organize entrepreneurs’ responses are:

- **Source**: All datasets and framework matrices are included in sources.
- **Coding**: Coding is a process in which specific theme or subject is used for gathering data.
- **Nodes**: Related ideas are gathered at one container which is called a node.
- **Node Classification**: Basic information (age and years of experience) about respondents is documented with the help of node classification (Figure 3 and 4).

Queries: Desired phrases and words are explored by using queries. Word frequency can also be checked easily with the help of word frequency query command.

Models: Visualization of all type of responses is done by using NVIVO Models.

**Interview Phase-I**

Interview questions of Phase (I) are given in table 2. After documentation, step by step analysis was performed with the help of NVIVO.

<table>
<thead>
<tr>
<th>Table 2: Phase-I Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Which factors are involved in existence of a woman owned enterprise?</td>
</tr>
<tr>
<td>2 Which factors are involved in survival of a woman owned enterprise?</td>
</tr>
<tr>
<td>3 Which factors are involved in success of a woman owned enterprise?</td>
</tr>
<tr>
<td>4 Which factors are involved in establishing a woman owned enterprise?</td>
</tr>
<tr>
<td>5 Which factors are involved in maturity of a woman owned enterprise?</td>
</tr>
</tbody>
</table>

**IMPORTING DATA**

Spreadsheets of phase-I interviews were linked with NVIVO by using External Data tool. External Data tool can import documents, pdf files, spreadsheets, pictures, videos and audio files. These spreadsheets were placed in the internal folder of source file. Interview phase-I spreadsheets were named as Dataset A to Dataset E. All columns of questions were identified as coded columns and columns of basic information about owners were identified as classifiable columns.
AUTO CODING

Automatic coding tool was used to gather response of all interview questions. For each dataset, nodes against columns and values of each column were created and responses were automatically coded at each node.

NODES

As a result of automatic coding tool, automatic nodes were saved in the nodes folder of NVIVO. Each column (question) of a dataset was coded in a child node followed by a parent node and each row (respondents) of a dataset was coded in another child node followed by related parent node.

FRAMEWORK MATRICES

After creating nodes, datasets were summarized using framework matrices. These matrices are used to compress data in a grid format that has rows for each case (respondent) and columns for each theme (question).

NODE CLASSIFICATION

In order to get information about each respondent, all nodes of general factors involved in life cycle development were classified. Classified columns (Respondents, Age and total branches) of Dataset A to Dataset E were used for node classification.

QUERIES

Queries were used to analyze all datasets (Dataset A to Dataset E) in detail. Text search Query tool was used to get information about number of references against individual responses. Output queries along with corresponding nodes were created automatically.

By running text search query within a dataset and analyzing all output nodes, different numbers of references were found against each response. Response with maximum number of references was selected as a generic factor for first development stage i.e. Existence. Similarly, in each dataset, response with maximum number of references was preferred for related development stage.

MODELS

By running text search queries for each Dataset (A - E), similar responses were placed in one node. These nodes were further visualized with the help of modeling tool available in NVIVO. Different factors were involved in each phase of development model as responses were varying from person to person. Models were used to visualize responses of all respondents (Dataset A to Dataset E).

![Model for Survival Phase](image1)

![Model for Existence Phase](image2)

Five nodes were obtained by running query for Dataset A as illustrated in figure 6. These nodes were representing all generic factors involved in Existence phase of development model. Four nodes were obtained by running query for Dataset B as shown in Figure 5. These nodes were representing all generic factors involved in Survival phase of development model. Four nodes were obtained by running query for Dataset C. These nodes were representing all generic factors involved in Success phase of development model (Figure 8). Three nodes were obtained by running query for Dataset D as shown in Figure 7. These nodes were representing all generic factors involved in Takeoff phase of development model. Three nodes were obtained by running query for Dataset E as illustrated in figure 9. These nodes were representing all generic factors involved in Maturity phase of development model.

GRAPHICAL REPRESENTATION

Independent nodes were created as a result of each text search query. After node creation, numbers of references were plotted against independent nodes of general factors involved in life cycle development of women enterprises in order to get graphical representation of obtained results. Independent nodes (created as a result of text search query) of first (Existence) stage were plotted against number of references for each independent node (Figure 10). Independent nodes (created as a result of text search query) of second (Survival) stage were plotted against number of references for each independent node (Figure 11).
Fig 7. Model for Takeoff Phase

Fig 8. Model for Success phase

Fig 9. Model for Maturity Phase

Fig 10. Coding by Nodes - Phase I (Existence)

Fig 11. Coding by Nodes - Phase I (Survival)

3.2. Interview Phase-II

Specific factors involved in life cycle development of women owned enterprises have been discussed in this phase. Outputs obtained from preceding section clearly demonstrated that analysis and selection of generic factors involved in life cycle development were not sufficient to make these life cycle stages helpful. Some factors were indirectly associated with development of successful women owned enterprises.

Interview phase-I outputs were used as an input to interview phase-II. Obtained results have shown that general factors involved in life cycle development of women owned enterprises include motivation, advertisements, hard work, contributions, networking, irritating issues related to workers, obstructions in business growth and preferred office environment. Phase-II questions are given in Table 3.
Fig 12. Coding by Nodes - Phase I (Success)

Fig 13. Coding by Nodes - Phase I (Takeoff)

Fig 14. Coding by Nodes – Phase I (Maturity)

Table 3. Phase -II Interview Questions

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  What motivates you?</td>
</tr>
<tr>
<td>2  What were the most effective marketing initiatives or programs you have used to promote your business?</td>
</tr>
<tr>
<td>3  How many hours do you work a day on average?</td>
</tr>
<tr>
<td>4  What things/people have contributed most to your success?</td>
</tr>
<tr>
<td>5  How many branches you have?</td>
</tr>
<tr>
<td>6  What type of work environment do you prefer?</td>
</tr>
<tr>
<td>7  What irritates you about workers?</td>
</tr>
<tr>
<td>8  Which factors can negatively affect business growth?</td>
</tr>
</tbody>
</table>

Queries

By running text search query within a dataset, response with maximum number of references was selected as a specific factor for associated generic factor. Similarly, in each dataset, response with maximum number of references was preferred for related general factor.

Models

By running text search queries for each Dataset (One - Eight), similar responses were placed in one node. These nodes were visualized with the help of modeling tool as discussed in Phase-I. Different nodes were obtained by running query for each dataset. These nodes were representing all specific factors directly linked with all generic factors.

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In order to get graphical representation of obtained results, number of references were plotted against independent nodes of specific factors involved in life cycle development of women enterprises. Independent nodes (created as a result of text search query) of motivational factors indirectly involved in life cycle development stage were plotted against number of references for each independent node as shown in figure 15. Independent nodes (created as a result of text search query) of advertisement related specific factors indirectly involved in life cycle development stage were plotted against number of references for each independent node as shown in figure 16. Independent nodes (created as a result of text search query) of hard work, contributions, networking, irritating issues related to workers, obstructions in business growth and preferred office environment related specific factors indirectly involved in life cycle development stages were plotted against number of references for each independent node as shown in figures 17, 18, 19, 20, 21 and 22 respectively.

![Graph 15: Motivation - Coding by Node](image1)

![Graph 16: Advertisement - Coding by Node](image2)
Fig 17. Coding by Nodes Phase II (Hard work)

Fig 18. Coding by Nodes Phase II (Contribution)

Fig 19. Coding by Nodes Phase II (Network)

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Fig 20. Coding by Nodes Phase II (Irritating Issues)

Fig 21. Coding by Nodes Phase II (Environment)
RESEARCH FINDINGS

General Factors

Results have shown that some generic factors were directly involved in Churchill’s life cycle development model. All phases of development model were depending upon some broader factors indicated by owners of women enterprises.

Existence Phase: Initial behaviors followed by a women owned enterprise are included in existence phase. Results have shown that motivational factors were involved at this stage of development model.

Survival Phase: After existence phase, different projects are planned and implemented in Survival phase. According to owners of successful women enterprises, advertisements and hard work were involved in this stage of development model.

Success Phase: Project execution and profit are included in success phase. Responses have shown that contributions of people/things play a very significant role in success stage of development model.

Takeoff Phase: Maintaining success is linked with takeoff/establish phase of Churchill’s development model. Graphs discussed in previous section have pointed out that networking (business expansion) was directly related to takeoff stage of model.

Maturity Phase: Learning from past experiences and continuous improvement are covered immaturity phase. Office environment, irritating factors about workers and obstruction in business growth were involved in maturity stage of life cycle development model used by successful women owned enterprises.

Specific Factors

According to outputs obtained from interview phase-II, some indirect factors were also involved in different stages of Churchill’s life cycle development model as all generic factors were depending upon some specific factors.

Motivation: Results have clearly shown that motivational factors include family tradition, creativity, security, passion and better life.

Advertisement: Interview responses, analysis and detailed discussions have shown that advertisements are associated with social media and feedback.

Hard Work: Level of Hard work depends upon maximum working hours of a successful enterprise.

Contributions: In order to make an enterprise successful, workers contribute more than top management.

Network: Total branches of successful women owned enterprises are associated with business expansion.

Obstructions in Business Growth: Irritating things about workers include office politics. Strict office environment is preferred but usually environment depends upon situation. Obstructions in business growth arise typically due to dissatisfaction of employees.

Output Visualization

Findings of this research work are summarized in figure 22.
CONCLUSIONS

Present research study provides detailed analysis of factors involved in life cycle development of women owned enterprises. Based on the findings given in previous sections, this research work can be concluded in different ways. There are some generic and specific factors involved in Churchill’s development model followed by successful enterprises located in Islamabad, Pakistan. Furthermore, all specific factors are related to generic factors and these generic factors are directly involved in different phases of life cycle development model. Additionally, entrepreneurs can successfully run their business by practically implementing Churchill’s development model and results of this research. Current research study can be useful for potentially talented women interested in setting up their own business. Based on Churchill’s business development model, entrepreneurs should pay more attention on indirect (specific) factors involved in life cycle development stages. By resolving small issues, broader concerns could automatically be handled. Moreover, top management should ensure that lower management is having sufficient knowledge about all phases of development model. Owners and Top Management of unsuccessful enterprises should arrange some interactive sessions with successful entrepreneurs to get information about implementation of useful business development models. This study provides a direction for future research as there still exists a need of empirically testing the proposed life cycle development model of women owned enterprises.

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