Measures and Self-Reported Sources of Success of Women Business Owners

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Abstract

This paper uses data from a study of the experiences of women business owners to investigate their perspectives on business success. The research seeks to discover how women define and measure business success and their own self-reported sources of success.

Business success is very difficult to define as there are four distinct ways of regarding it. In some parts of the literature (such as Rassam, 1988) it is not described as its meaning seems to be taken for granted; others present a traditional view of success as being solely related to financial performance (Cromie & Hayes, 1988; Orser & Dyke, 2005; Paige & Littrell, 2002; Smallbone, 1997; Walker and Brown, 2004); a third way argues that women business owners are quite different from the traditional (male) model in that they do not measure success according to financial criteria as men are thought to (Carter & Cannon, 1992); and the fourth way, which began in the women’s entrepreneurship literature and is spreading to non-gendered research, calls for success to be measured according to the business owners’ own objectives rather than an imposed “one size fits all benchmark” (Chell & Baines, 1998, Wakefield & Castillo, 2005).

The paper is based on a longitudinal study carried out among women business owners in East Anglia in the late 1990s. The research investigates women’s ways of running businesses in a variety of industrial sectors. One hundred and fifty women business owners returned questionnaires providing information about their personal and business lives such as the type, age and size of business, educational and training experience, and domestic responsibilities. A total of forty-eight of these women took part in lengthy face-to-face interviews about business and personal issues.

The confusion over what might constitute success, together with findings from previous studies both on women entrepreneurs (such as Carter & Cannon, 1992; Hertz, 1986) and on salaried employees (Rynes et al, 2004) which show that they explicitly distance themselves from financial motivation, and the tendency of people generally to be unreliable in attempts to achieve research validity (Sanger, 1996), demonstrate the need to proceed carefully when questioning respondents about the concept of business success. Triangulation of the responses of the women business owners in the areas of motivations to start up in business, what they hoped to achieve in their businesses, and their definitions of success is used in this paper to raise the issue of validity in the discussion of their measures of success.

Motivations to start up were often extremely complex. Combinations of “pull” and “push” factors were described in which it was often difficult even for the women themselves to show which was more important and whether, indeed, such factors would have resulted in them setting up in business if not for some opportunity in the shape of a necessary element such as premises, finance, customers or skills.
Questioning on what they hoped to achieve in their businesses and how they defined success in their businesses are considered more likely to elicit positive, forward-looking, “pull” measures than the motivations to go into business, which were often negative and backward-focused. A noticeable difference between what the women hoped to achieve in the business and what they considered to embody business success was that the former was more often seen in terms of personal goals often relating to what they themselves felt they could gain as the owner of a successful business, whereas the latter was more likely to relate to the business itself. These measures of business success were often described at great length. They did include financial rewards but many of the participants saw success in survival, satisfied customers and social concerns.

The sources of success with which this paper is concerned are those that were self-reported by the respondents rather than characteristics externally observed in successful businesses and/or their owners, which are more often discussed in the literature. Self-reported sources of success were found to contain a mixture of personal and business elements. The majority of these factors contrasted with the often advised paths to success such as available finance, reliable business advice, a well-considered business plan and a compliant and helpful spouse (Meredith et al, 1982; Scase and Goffee, 1980; West, 1988). They often related to some personal attribute of the business owner herself or to some external factor that might be out of her control.

The longitudinal aspect of this study in which a number of the women were interviewed for a second time after an interval of three years reveals that there were changes in perspective in the light of experience. What some of them had been striving to achieve now seemed not to be leading to the kind of success they had envisaged.

The difficulty noted in the literature of unravelling the complexity of the issue of success is corroborated in this study. Definitions of success were often diametrically opposite, with those proposed by some respondents explicitly rejected by others. This occurred most often in the case of financial criteria. The self-reported sources of success were varied but often related to personal attributes of the business owner herself.

The value of the longitudinal research is particularly pertinent when examining definitions of success as they may be compared with actual outcomes. After an interval of three years outcomes varied but were usually consistent with the measures of success that had been described by the respondents.
References


