

Motivations, Success Factors and Problems Encountered by Chinese Women Entrepreneurs: A Factor Analysis

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One hundred and eighty Chinese women entrepreneurs in Beijing, China were randomly selected for the study. Findings show that the main motivations for business ownership are to increase income, to prove their ability, to be independent and to be able to use their past experience and training. Factors contributing to their success include a reputation for honesty, hard work, and management skills. However, unreliable and undependable employees, intense competition, and a lack of capital have been identified as critical problems facing Chinese women entrepreneurs. Of the total one hundred and eighty respondents, seventy percent were married, and thirty percent were single. The average age of the entrepreneurs surveyed was forty-one years old, and time devoted to their business was reported to be at fifty four hours per week. Results of a factor analysis indicate that government regulations and market constraints are more critical challenges than the entrepreneurs' lack of business knowledge and management skills.

Field of Research: Management of Small Business, Entrepreneurship

1. Introduction

Women entrepreneurs have played an important role in the modern economy. According to the Center for Women's Business Research (2009), women own 10.1 million firms in the United States and they account for 40% of all private businesses. Those firms provide employment for more than 13 million people and generate \$1.9 trillion in sales in 2008. It is estimated that more than 10 million women are self-employed in Europe. Between 1981 and 2001, the number of women entrepreneurs increased 208% in Canada (OECD, 2004). This similar pattern can be observed in transition countries. For example, in 2001 women owned 31.8% of independent businesses in Romania (Winn, 2005). Self-employment provides women an alternative job opportunity and empowers them to contribute to economic growth.

In China, the private sector was banned under the Chinese Communist Party in 1949. It was not until 1978 when the "open door" policy was adopted by the government and private businesses started to revive. With the restructuring from central planned to market oriented economy over the last three decades, China has become one of the world's fastest growing economies. The private sector made a significant contribution to the country's economic development. The number of registered private enterprises reached 7.9 million as of September 2009. They created 11.4 million new jobs in 2009 and provided more than 90% of all urban new employment (China Daily, 2010). Currently, there are more than 29 million female

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entrepreneurs in China. They make up 20% of all the entrepreneurs and represent 41% in the private sector (Yu, 2010; Tang 2002).

Chinese women have come a long way from feudalism to emancipation. In pre-modern China, women were considered inferior to men and were in the bottom rungs of society. They had no independent social or legal rights. Since the foundation of the People's Republic of China in 1949, the Chinese Communist Party has been advocating women's liberation. This was reflected in Mao Zedong's famous proverbs: "Women hold up half the sky." Women were encouraged to work outside of home and participate in full time jobs. China's constitution is the cornerstone to protect gender equality. Women are provided equal opportunity for education, health care, inheritance, property rights, political participation and employment. The Law on "The Protection of Women's Rights and Interests" in 1992 further enhanced the social status of women and confirmed women's equality with men in the political, economic, social and private spheres (World Bank, 2002). However, the trend of unemployed women has increased as the market-oriented reform of State Owned Enterprises (SOEs) has evolved. Women were often first considered to be laid off (China Daily, 2004). With a less favorable labor market and more job insecurity, women's self-employment initiatives were inadvertently stimulated. It is reported that the majority of women entrepreneurs started their business at the end of 1980s and the beginning of 1990s, with the accumulation during the late 1990s (Tang, 2002).

Although women entrepreneurship has been recognized as an important source of economic growth, there is limited research about the nature and practice of female entrepreneurs in a transitional economy such as China. Women in those countries often experience gender inequality due to traditional and cultural obstacles. They lack access to resources and have limited bargaining power in labor markets. Understanding women's involvement in economic life is a key to develop effective policy. This paper attempts to fill the gap by investigating Chinese women's motivations for business ownership, identifying factors contributing to their success and discussing problems they have encountered. The findings are expected to provide policy makers with information in promoting women entrepreneurship and creating supportive mechanisms for women entrepreneurs to reach their potential.

The paper is organized into 5 sections. Section 2 is devoted to literature review. Section 3 presents the research methodology. The results are reported in Section 4 and Section 5 discusses conclusions.

2. Literature Review

Women entrepreneurs represent a minority in the private sector. Mainstream research concentrates on male-owned enterprises and often neglects the specific needs and obstacles encountered by women entrepreneurs. The lack of knowledge of women entrepreneurship has attracted growing attention. Greene et al. (2003) reviewed the literature on female entrepreneurship from 1976 to 2001. They found that early research generally focused on the differences between women entrepreneurs and their male counterparts in terms of personal attributes and the start-up process. Women entrepreneurship study increased dramatically during 1990s. New topics and interests emerged in the research, such as strategic choice, access to resources, social networks and business growth.

2.1 Motivation

Gender differences in starting a business have driven much of the research in developed countries. Scott (1986) used two surveys to explore the reasons why women wanted to start their own businesses. She found that gender differences do exist. Men became business owners due to the desire to be their own bosses, while women were concerned with personal challenges and satisfaction. Carter and Cannon (1992) interviewed sixty women entrepreneurs in the United Kingdom. Finding independence and the challenge of business ownership were the top two cited reasons for business ownership in this study. Another study in Norway also shows that independence is a prime reason for women's start-up enterprises (Ljunggren & Kolvereid, 1996).

Although independence and self-fulfillment are seemingly common motivations, significant differences are found across countries with culture and social interaction. Ufuk & Ozgen, (2001) examined female married entrepreneurs in Turkey and reported that meeting family needs and initiating social relations are the most important factors in becoming business owners. Results from a study of Nigerian women entrepreneurs show that the main motivation for engaging business is to reduce poverty and to reverse their deteriorating economic condition (Woldie & Adersua, 2004).

2.2 Success factors

There is no consensus among researchers on the factors contributing to the success of women business owners. Carter and Cannon (1992) indicate that among the strategies leading to business success, being able to adapt management skills from previous working experience and training is considered very important. Cuba, Decenzo, and Anish (1983) find that in addition to education and experience, delegation skills have a positive impact on enterprise success. Buttner (1993) argues that endurance and hard work are key success ingredients for women entrepreneurs to compete with their male counterparts. Women usually experience family-work conflict. It is found that family support and encouragement help women reduce work-related stress and lead to business success (Buttner, 1993; Cooper & Goby, 1999).

2.3 Problems

Some research explores the challenges specific to women entrepreneurs. The barriers identified include: lack of business training and experience (Pellegrino & Reece, 1982; Hisrich & Brush 1984), conflict with family responsibilities (Brush, 1997; Winn 2005), limited capital (Riding & Swift, 1990; Buttner & Rosen, 1998; Marlow & Patton, 2005), managing and retaining staff (Hisrich & Brush, 1986; Carter & Cannon, 1992), and an insufficient supportive network (Weiler & Bernasek, 2001).

Access to capital has been identified as a major obstacle. Carter and Rosa (1998) argued that women are perceived with a lack of business expertise which in turn leads to the refusal of credit and loans. Coleman (2000) reported that banks prefer to lend to large and established firms, therefore they discriminate against women entrepreneurs who normally own small businesses. Even to obtain the business loans, women entrepreneurs were required to have higher collateral and often

charged higher interest rates for their perceived increased credit risk (Riding & Swift, 1990; Coleman 2000).

3. Research Methodology

One hundred and eighty women entrepreneurs were randomly selected in Beijing, the capital of China. The favorable economic and developed infrastructure environment in Beijing attracted women to establish businesses there. In this study, potential subjects were identified from Chamber of Commerce directories. Since we focused on small and micro-enterprises (SMEs), non-profit organizations and businesses with over 100 employees were excluded from the sample. The women owned firms tended to be small and medium-sized (SME) enterprises. The data was obtained through face-to-face interviews with the assistance of a community development director in Beijing. The administrator was trained with different interview techniques and random sampling procedures.

The questionnaire used in this study was developed by H.M. Chu (Chu & Katsioloudes, 2001), which has been applied to a number of small business studies since 2001. It was originally written in English and then translated into Chinese. Inter-translator consistency was checked before the survey was distributed. The strengths of motivation, success and problem variables were measured by a five-point Likert scale, with 5 being "extremely important" and 1 being "unimportant". Mean score and standard deviation for each item were calculated. A higher mean score on a variable indicates greater importance. Cronbach's Alpha is one of the most commonly used reliability estimates to check the internal consistency of the instrument. It is appropriate to be used to Likert-scaled items. The value of Alpha may range from 0.0 to 1.0. A widely acceptable criteria is that Alpha is 0.7 or higher (Nunnally, 1978; Streiner & Norman, 1989). In our study, the Cronbach's Alpha is within 0.84 to 0.93 ranges, which suggests high reliability of the instrument.

A factor analysis was conducted to group motivation, success, and problem variables. The Barlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure were used to check if there is sufficient correlation between variables and if factor analysis is appropriate with our data. Factors were determined based on eigenvalues and scree plot via principal component factor analysis with varimax rotation. In addition, a summated scale or score for each factor, which is the average of variables included in that factor, was generated to find out which factor has greater effect on women business owners.

4. Results

The general characteristics of the sample are reported in Table 1. Of all the women entrepreneurs who completed the survey, 70% were married and 30% were single. The women entrepreneurs in China tended to be highly educated. In general, 91.7% of the respondents obtained a high school or higher level of education. Among them, 28.9 % completed high school, 16.1% had some college level courses, 42.8% obtained a college degree and about 4% had a graduate education. This is the result of the implementation of a gender equality policy by the Chinese government. According to World Bank WDI data, the adult female literacy rate in China achieved to 91% in 2008. A Chinese government survey in 2006 revealed that women

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entrepreneurs with a college education cover 58%, which is 4% higher than male entrepreneurs (Shi, 2009).

The average age of Chinese women entrepreneurs surveyed was forty-one. The transition of the economy from state owned enterprises to private ownership led to an oversupply of labor. Middle-aged and older women employees are more likely to lose their jobs in the state enterprises. The unemployment rate for the 30-45 age group is significantly higher for women than men. Laid-off women workers experienced more difficulty reentering the labor market. Accordingly, they become a new source of women entrepreneurship.

The study also found that service is the dominant type of business at 56.1%. Since the service industry requires little initial capital investment, it appears more suitable for women entrepreneurial start-up. Retailing consists of 29.4%, followed by wholesaling with 22.8%. Manufacturing only accounts for 8%. Since the majority businesses concentrated in the service sector, Chinese women entrepreneurs worked long hours. The average time they devote to their business is 54 hours per week. This seems to cause potential conflict with the women entrepreneur's family responsibilities since women are expected to be responsible for the majority of time and effort of housework. A closer examination of the background information revealed that women entrepreneurs in our sample either don't have children or their youngest child is 18 years old on average. In terms of business establishment, 65.6% of women entrepreneurs started their business by themselves and only 1.7% inherited their enterprises.

In the following section, the motivation, success and problem variables are examined separately. We first analyze the variables item-by-item. Then factor analysis is applied. All the KMO measures are between 0.785 and 0.902 which indicates the adequacy of our sample to proceed with factor analysis. Barlett's test of sphericity are all highly significant for the existence of sufficient correlation.

Table 1 Sample Characteristics of Women Entrepreneurs in China

	Frequency	Percent
Marital status		
Married	126	70
Single	54	30
Education level achieved		
No formal education	0	0.0
Some grade school	0	0.0
Completed grade school	3	1.7
Some high school	6	3.3
Completed high school	52	28.9
Some college	29	16.1
Completed college	77	42.8
Some graduate work	5	2.8
A graduate degree	2	1.1
Not mentioned	6	3.3
Type of business ownership		
Established by you	118	65.6
Bought from another owner	15	8.3
Inherited	3	1.7
Independently owned	17	9.4
Franchise business	3	1.7
Owned in partnership	31	17.2
Incorporated	26	14.4
Type of business		
Retailing	53	29.4
Wholesaling	41	22.8
Service	101	56.1
Manufacturing	8	4.4
Agriculture	3	1.7
Other	15	8.3
Mean age of entrepreneur	40.88 years	
Avg. working hrs per week	53.85	

4.1 Motivation

Chinese women entrepreneurs were required to evaluate the importance of 11 reasons to start their small businesses based on a five point Likert scale with five (5) being “extremely important” and one (1) being “the least important”. As shown in Table 2, the most important reason for business ownership is “to increase income”. “To prove I can do it” is the second most important motivator, closely followed by “to be my own boss” and “to be able to use my past experience and training”.

Both extrinsic and intrinsic factors influence Chinese women’s decision on starting their entrepreneurial career. The restructuring of state enterprises in the late 1990s has exacerbated job discrimination against women. According to the Asian Development Bank (2006), more women were laid off than men due to the restructuring of state owned enterprises. Those women who lost jobs were either not reemployed or found jobs with low wages and no benefits. The income gap between men and women increased by 7.4% from 1990 to 2000. To start one’s own business is seen as an alternative option to create employment and improve one’s financial

situation. Therefore, extrinsic reward is the main driving force behind thriving women enterprises.

Chinese women entrepreneurs are not only motivated by monetary rewards, but also by gaining control of their lives. Women in general receive a high level of education and have the ability to compete with their male counterparts. However, they are discriminated against in the labor market due to cultural and social influences. Women are also expected to devote more time to family responsibilities than men and their performance is affected by pregnancy and maternity leave. Some employers even clearly state a preference for male employees in the job descriptions. Due to the unfavorable job market for women, this has likely resulted in women seeking entrepreneurial alternatives in the work place. Being self-employed, Chinese women entrepreneurs are able to use their past experience and training to prove their ability and have control over their own destiny.

Table 2. Mean Score for Motivation

(5= extremely important, 4= very important, 3= mildly important, 2= not very important, 1= unimportant)

Motivation Factors	Mean	Std. Dev.
To increase my income	3.95	0.961
To prove I can do it	3.75	0.988
To be my own boss	3.71	1.191
To be able to use my past experience and training	3.70	1.147
To gain public recognition	3.51	1.137
To protect my job security	3.39	1.209
For my own satisfaction and growth	3.22	1.109
To provide jobs for family members	2.70	1.100
To maintain my personal freedom	2.54	1.293
To be closer to my family	2.46	1.296
To build a business to pass on	2.44	1.269

Table 3 shows the factor analysis of the motivation variables. Based on the eigen values greater than 1 and the scree plot, three factors emerged: personal growth factor, family factor, and income-job factor. The personal growth factor consists of intrinsic motives as “to prove I can do it,” “to be able to use my past experience and training,” “for my own satisfaction and growth,” and “to gain public recognition.” The family factor includes variables of maintaining personal freedom, being close to family, building a business to pass on and to provide jobs for family members. The income-job factor includes the following three variables: increasing income, protecting job security and being one’s own boss. The three factors explained 62.4% of the total variance and communalities were relatively high, ranging from 0.54 to 0.79.

The summated scores in Table 4 suggest that the income-job factor is the strongest motivating force behind the Chinese women business owners, followed by the personal growth factor. It suggests that extrinsic rewards were weighted higher than intrinsic rewards among Chinese women for business ownership at the current

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economic development stage. Surprisingly, the family factor is the least important motivation although women have more responsibility and spend more time to take care of family issues.

Table 3. Varimax Rotated Factor Loadings (Sorted) and Communalities for Motivation Variables

Motivation Variables	Factor 1	Factor 2	Factor 3	Communalities
To prove I can do it	0.819			0.770
To be able to use my past experience and training	0.793			0.681
For my own satisfaction and growth	0.678			0.694
To gain public recognition	0.666			0.641
To maintain my personal freedom		0.750		0.749
To be closer to my family		0.728		0.535
To build a business to pass on		0.697		0.667
To provide jobs for family members		0.692		0.667
To increase my income			0.845	0.794
To protect my job security			0.776	0.747
To be my own boss			0.521	0.720
Eigenvalues	2.594	2.433	1.836	
% of Variance	23.58	22.12	16.69	
Kaiser-Meyer-Olkin Measure	0.785			
Bartlett's Test of Sphericity	p<0.000			

Table 4. Mean Scores by Factor Related to Motivation

Summated Scales	Mean	Std. Dev.
Scale 1 - Factor 1: Personal Growth	3.545	1.095
To prove I can do it		
To be able to use my past experience and training		
For my own satisfaction and growth		
To gain public recognition		
Scale 2 - Factor 2: Family	2.538	1.239
To maintain my personal freedom		
To be closer to my family		
To build a business to pass on		
To provide jobs for family members		
Scale 3 - Factor 3: Income-job	3.684	1.121
To increase my income		
To protect my job security		
To be my own boss		

Note: Summated scales are calculated as average score across items contained in that factor.

4.2 Success Factor

Chinese women entrepreneurs achieved great success in their businesses. Of all the registered businesses led by women, only 1.5% shows a deficit and the rest are gaining profits (Tan, 2009). According to the results in Table 5, Chinese women

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entrepreneurs identified that the reputation for honesty is the most crucial element for business success. Honesty has been one of the Chinese traditional core values. People believe that honesty is the foundation to behave oneself and start one's career. By communicating truth, trust will be built between entrepreneurs and customers. It is viewed as the key to developing a long-term business relationship.

Table 5. Mean Score for Factors Contributing to Business Success

(5= extremely important, 4= very important, 3= mildly important, 2= not very important, 1= unimportant)

Success Factors	Mean	Std. Dev.
Reputation for honesty	4.53	0.664
Hard-work	4.35	0.759
Good general management skills	4.26	0.837
Charisma; friendliness to customers	4.12	0.910
Satisfactory government support	4.05	0.881
Access to capital	4.00	1.023
Maintenance of accurate records of sales/expenses	3.95	0.961
Ability to manage personnel	3.88	1.007
Good customer service	3.88	1.166
Good Location	3.74	0.826
Previous business experience	3.70	1.022
Good product at a competitive price	3.67	1.257
Support of family and friends	3.64	1.072
Marketing factors such as sales promotion	3.55	1.117
Appropriate training	3.53	0.951
Community involvement	3.47	0.921
Political involvement	3.17	1.022

Hard work, good general management skill, and charisma & friendliness to customers are also considered important factors contributing to a thriving business. In our sample, Chinese women business owners on average work 54 hours a week, which is longer than that found in other countries. This is partially due to 56% of the businesses surveyed being in the service industry, which requires owners to devote more time to serve their customers. The Chinese women's nature and cultural values of hard-work brings reward to their businesses. Also women business owners are observant and have a good understanding of the needs of their customers. Long hours plus friendliness to customers could attract customers and build a good customer base and increased loyalty. Although women are better educated and actively participated in the labor force, few have broken through the "glass ceiling" to hold top-level management and professional positions. Women only accounted for 1.3 percent of management position in all organizations in 2002 (China Daily, 2004). Good management skills become very valuable and are believed by women entrepreneurs, as a key to achieving their goals.

The factor analysis of success variables is reported in Table 6. Three factors were found, which can be called "personal and business attributes" factor, "support and knowledge" factor and "social involvement" factor. Total variance accounted by the three factors is 64.1percent and communalities are within 0.45 and 0.79.

Table 6. Varimax Rotated Factor Loadings (Sorted) and Communalities for Perceived Success Variables

Success Variables	Factor 1	Factor 2	Factor 3	Communalities
Good customer service	0.784			0.788
Good product at a competitive price	0.725			0.598
Hard-work	0.718			0.674
Marketing factors such as sales promotion	0.710			0.572
Support of family and friends	0.661			0.597
Good Location	0.653			0.499
Maintenance of accurate records of sales/expenses	0.635			0.633
Ability to manage personnel	0.582			0.669
Previous business experience	0.539			0.559
Reputation for honesty	0.531			0.452
Satisfactory government support		0.822		0.699
Good general management skills		0.725		0.662
Charisma; friendliness to customers		0.665		0.689
Appropriate training		0.594		0.590
Access to capital		0.585		0.640
Political involvement			0.878	0.788
Community involvement			0.770	0.787
Eigenvalues	8.231	1.578	1.088	
% of Variance	31.11	22.09	10.90	
Kaiser-Meyer-Olkin Measure	0.902			
Bartlett's Test of Sphericity	p<0.000			

The personal and business attributes factor includes business owners' personal characteristics, such as hard-work, support of family and friends, ability to manage personnel, previous business experience, and reputation for honesty. Some business traits including good customer service, good product at a competitive price, sales promotion, good location, and maintenance of accurate accounting records are also grouped under this factor. The support and knowledge factor is related to satisfactory government support, accessibility to capital, appropriate training, friendlessness to customers and knowledge of management skills. The social involvement factor consists of political and community participation.

Table 7 states the summated scale score of each factor. The second factor has the highest mean score of 3.99, which indicates that government support and business knowledge and skills are main contributors to the success of Chinese women entrepreneurs. The social involvement factor is the least important among the three factors.

Table 7. Mean Scores by Factor Related to Perceived Success Variables

Summated Scales	Mean	Std. Dev.
Scale 1 - Factor 1: Personal & Business Attributes	3.836	0.985
Good customer service		
Good product at a competitive price		
Hard-work		
Marketing factors such as sales promotion		
Support of family and friends		
Good Location		
Maintenance of accurate records of sales/expenses		
Ability to manage personnel		
Previous business experience		
Reputation for honesty		
Scale 2 - Factor 2: Support & Knowledge	3.993	0.921
To maintain my personal freedom		
To be closer to my family		
To build a business to pass on		
To provide jobs for family members		
Scale 3 - Factor 3: Social Involvement	3.317	0.972
To increase my income		
To protect my job security		
To be my own boss		

Note: Summated scales are calculated as average score across items contained in that factor.

4.3 Problems

As shown in Table 8, unreliable and undependable employees ranked as the most essential obstacle faced by Chinese women entrepreneurs, closely followed by fierce competition. The lack of financial capital was also found to be a major barrier.

The inability to recruit and retain high quality employees in small businesses has been a challenge in many countries, especially in transition economies. The resources to provide good compensation and welfare benefits are often limited in small and medium-sized enterprises as compared to state owned or foreign enterprises. In addition, the high risk of failure and lack of opportunity for personal advancement lead to high labor mobility in the private enterprises. As a result, family members are actively involved in the business. In our sample, 30% of the spouses work in the women owned enterprises.

Given the nature of transition economy, small businesses in China often rely on a volume and low price model, rather than innovation as their competitive advantages (Yang & Li, 2008). This strategy would result in fierce competition, especially in service industries dominated by women enterprises. The inevitable price war would reduce profits and can even threaten the survival of the businesses.

Table 8. Mean Score for Each Problem Faced by Entrepreneur

(5= extremely important, 4= very important, 3= mildly important, 2= not very important, 1= unimportant)

Problems	Mean	Std. Dev.
Unreliable and undependable employees	3.85	1.006
Too much competition	3.84	0.893
Not having enough financial capital	3.74	0.996
Weak economy	3.46	1.115
Too much government regulation/bureaucracy	3.34	1.082
Inability to maintain accurate and informative accounting records	3.33	1.343
Complex and confusing tax structure	3.14	1.083
Lack of management training	3.12	1.145
Long business registration process	3.09	1.133
Lack of marketing training	3.04	1.152
Unsafe location	2.93	1.190
Limited parking	2.76	1.180
Poor roads/transportation	2.51	1.241
Electricity problems	2.40	1.124
Foreign exchange limitations	2.34	1.147

Although Chinese female entrepreneurs share the same financial constraints as their male counterparts, they face additional obstacles due to traditional patriarchal values in Chinese culture. Banks often discriminate against women entrepreneurs since they have a perception of having limited business skills and expertise. Women are considered as having more financial risk and having less commitment to their businesses. There is a view among investors that they are unlikely to be able to handle the risk and volatile nature of the changing economic environment. Therefore, personal saving and funds from family and friends have been the primary sources for start-up costs. A survey on women entrepreneurs indicates that 56% of business capital came from personal saving, 40% were borrowed from relatives and friends, and only 4% obtained loans from banks (National Development Research Committee [NDR] & UNDP, 2003).

The problem variables are loaded onto four factors, which are given in Table 9. The four factors can be classified as “economic environment and infrastructure constraint,” “business training constraint,” “market and government constraint,” and “location constraint.” The four factors account for 69.9 percent of total variation and the communality ranges from 0.42 to 0.84. The economic environment and infrastructure constraint includes complex and confusing tax structure, long business registration process, foreign exchange limitations, poor roads/transportation, and electricity problems. The second factor is related to a lack of business training such as management and marketing skills, the ability to maintain accurate accounting records and recruit reliable and dependable employees. Weak economy is also included in this factor. The third factor, “market and government constraint,” consists of excessive competition, government overregulation and inability to obtain financial capital. The last factor deals with location problems, which includes limited parking and security issues.

Table 9. Varimax Rotated Factor Loadings (Sorted) and Communalities for Motivation Variables

Problem Variables	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
Complex and confusing tax structure	0.800				0.747
Long business registration process	0.779				0.719
Foreign exchange limitations	0.741				0.669
Poor roads/transportation	0.614				0.768
Electricity problems	0.591				0.615
Lack of management training		0.828			0.798
Lack of marketing training		0.735			0.715
Inability to maintain accurate and informative accounting records		0.655			0.764
Weak economy		0.618			0.675
Unreliable and undependable employees		0.602			0.417
Too much competition			0.791		0.729
Too much government regulation/bureaucracy			0.726		0.638
Not having enough financial capital			0.704		0.665
Limited parking				0.851	0.839
Unsafe location				0.646	0.730
Eigenvalues	6.54	1.80	1.13	1.03	
% of Variance	20.66	20.39	15.02	13.85	
Kaiser-Meyer-Olkin Measure	0.846				
Bartlett's Test of Sphericity	p<0.000				

As shown in Table 10, the summated scores on these factors indicated that the market and government constraint is the most severe impediment for a successful business. Women entrepreneurs face more market based challenges than their personal constraints such as inadequate business training. This requires government and financial institutions' involvement to improve policies and create a more productive business environment. Appropriate training programs targeting women entrepreneurs should also be developed to provide them with knowledge and skills to successfully operate their businesses. Economic environment and infrastructure constraints are considered the least serious problem. This is because this survey focuses on small business in Beijing, where infrastructure is well developed.

4.4 Stress, Business Success, and Family Support

Table 11 shows the perceived success, stress and family support by Chinese women entrepreneurs. In general, they believed they were successful and expressed satisfactions with their business. This is consistent with the survey results conducted by the All-China Women's Federation. It found that more than 70% percent of women entrepreneurs were satisfied or very satisfied with their business performance last year (Yu, 2010). However, they thought their success didn't completely meet their expectations. Being women business owners, they

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experienced high level of business-related stress. When asked if the support of family and friends contributed to their business success, the answer was very positive.

Table 10. Mean Scores by Factor Related to Problems

Summated Scales	Mean	Std. Dev.
Scale 1 - Factor 1: Economic Environment & Infrastructure Complex and confusing tax structure Long business registration process Foreign exchange limitations Poor roads/transportation Electricity problems	2.695	1.146
Scale 2 - Factor 2: Business Training Lack of management training Lack of marketing training Inability to maintain accurate and informative Accounting records Weak economy Unreliable and undependable employees	3.361	1.152
Scale 3 - Factor 3: Market & Government Too much competition Too much government regulation/bureaucracy Not having enough financial capital	3.640	0.990
Scale 4 - Factor 4: Location Limited parking Unsafe location	2.843	1.185

Note: Summated scales are calculated as average score across items contained in that factor.

Table 11. Mean Score for Success, Family Support and Stress

Question	Mean	Std. Dev.
1 How would you describe your business success? (1= very successful, 2= successful, 3= average, 4= below average)	2.49	0.729
2 To what extent are you satisfied with your business? (1= very satisfied, 2= satisfied, 3= somewhat satisfied, 4= dissatisfied, 5= very dissatisfied)	2.75	0.903
3 How well have your success met your expectation? (1= more than I expected, 2= met my expectations, 3= somewhat met my expectations, 4= did not meet my expectations)	2.93	0.807
4 As a business owner, how would you rate the level of business-related stress? (1=very high, 2= high, 3= low, 4= very low, 5= non existent)	1.79	0.814
5 How would you rate the level of support from family and friends? (1= very substantial, 2= substantial, 3= medium, 4= low, 5= very low)	1.87	0.912

The correlations between success, satisfaction, family support and stress are presented in Table 12. It shows that business success is significantly correlated with the level of satisfaction and expectation. In addition family support is highly

correlated to stress. The analysis results imply that when business success meets the level of expectation, more satisfaction is received. The correlation between family support and stress suggests that women entrepreneurs need family support more than their male counterparts. With the lack of an existing women business network to allow owners to share their experiences and discuss their work related problems and issues, family support becomes even more critical.

Table 12. Correlation of Success, Stress and Family Support

	Q1-Bus. Success	Q2-Satisfaction	Q3-Expectations	Q4-Stress
Q2-Satisfaction	0.737** (0.000)			
Q3-Expectations	0.593** (0.000)	0.720* (0.000)		
Q4-Stress	-0.043 (0.568)	0.003 (0.972)	-0.092 (0.223)	
Q5-Family Support	0.151* (0.045)	0.125 (0.097)	-0.104 (0.169)	0.561** (0.000)

5. Conclusion

This study provides insight into the status of women entrepreneurs in a transitional economy. The survey of 180 women small business owners in Beijing, China shows that extrinsic rewards such as increasing income, is the primary motivation to establish a business. They also take business ownership as a way to prove their capability and to take charge of their own careers. They believe honesty, hard work and good management skills are essential factors contributing to their success. However, unreliable and undependable employees, intense competition, and a lack of capital have been identified as critical problems facing Chinese women entrepreneurs. Although they experience a lot of business-related stress, they received high level of family support. Factor analysis suggests that government regulations and market constraints are more critical challenges than the entrepreneurs' lack of business knowledge and management skills.

Given women's contribution to economic growth, policy makers should provide a favorable environment to encourage women's participation in entrepreneurship. Providing business training through the education system or government supported programs are effective ways to improve women's knowledge and skills. Lack of access to credit has also been recognized as one of the barriers that restrict women to pursue business opportunities. Increased success will require the cooperation of financial institutions to provide more financial capital targeted to women. Microcredit has been proved to be a helpful tool. The government should also promote the development of social networking where women entrepreneurs can obtain business knowledge and exchange valuable information. With the transition economy in China, the economic, social and political environment is constantly changing. Women may face new challenges and obstacles. Government support is needed continuously to facilitate women enterprise's development after the initial start-up.

Policies, such as subsidies and tax incentive may also accommodate business growth.

Understanding women entrepreneurs' motivations, success factors and problems encountered is important. This paper only provides a "snapshot" of women business owners in China. A more in-depth and quantitative analysis is needed for future research.

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