

Factors Influencing The Sustainability of Women Entrepreneurship

Monalisa, Otto Randa Payangan, Syamsu Alam, and
Maat Pono, Arianto Taliding

Hasanuddin University, Faculty of Economics and Business
Makassar, Indonesia

Abstract

Despite the contribution of women entrepreneurs in various socio-economic progress of a country, there are few studies that explain how women entrepreneurs maintain their business performance in the long term and what factors affect the sustainability of the businesses they run. This study examines what factors influence the sustainability of women entrepreneurs in this research method. This study aims to identify the factors associated with the sustainability of women's entrepreneurship. The method in this study is a systematic literature review of articles examining entrepreneurial sustainability and factors that support entrepreneurial sustainability. The results showed that learning, skills, environmental factors, decision making and business opportunities can affect the sustainability of women's entrepreneurship.

ISSN: 1533 - 9211

CORRESPONDING AUTHOR:

Monalisa

monalisam337@gmail.com

KEYWORDS:

Learning, Talent, Skill,
Environment Factor,
Decision-making, Business
opportunity

Received: 20 June 2023

Accepted: 04 July 2023

Published: 20 July 2023

TO CITE THIS ARTICLE:

Monalisa, Payangan, O. R., Alam, S., Pono, M., & Taliding, A. (2023). Factors Influencing The Sustainability of Women Entrepreneurship. *Seybold Report Journal*, 18(05), 33-42.
<https://seybold-report.com/>

Introduction

Entrepreneurship, or the activity of starting and running a business, is an important element of economic growth and development. Entrepreneurship not only contributes to economic growth, productivity and increased social welfare, but can also change the world by solving various problems (Bosma et al. 2018; Galindo and Méndez- Picazo, 2013). However, several studies show that entrepreneurship will thrive or be sustainable when many stakeholders play synergistic and collaborative roles (Van de Ven, 1993; Hanlon & Saunders, 2007; Volkmann, Fichter, Klofsten, and Audretsch 2019). As a result, sustainable entrepreneurship is a concept that gets the attention of entrepreneurs who see the need to integrate external stakeholders, namely environmental and social concerns into their main strategy (Hart, 2010; Schwab, 2018; Volkmann, Fichter, Klofsten, and Audretsch, 2019; Nunez, 2020) and has become a prominent concept in research related to entrepreneurship (Sarrango-Lalangui et al, 2018; Nunez, 2020). Although this concept is increasingly prominent in entrepreneurship-related publications, most researchers agree that as a subfield, sustainable entrepreneurship is still a new concept and suffers from a lack of clarity about its key constructs. The term entrepreneurship has been broadly defined in various literatures but does not have a general definition (Zhao, Ritchie, & Echtner, 2011). "Due to its complexity, the notion of entrepreneurship is almost difficult to fit into a single definition" (Ateljevic & Li, 2009, p. 22). Risks, opportunities and ambitious people are needed for entrepreneurship. Entrepreneurs are motivated by economic and psychological factors (Basu & Altinay, 2002).

Entrepreneurship is the process of taking advantage of opportunities that exist in the environment or are created through innovation in an effort to create value. Schumpeter (1934), a supporter of psychological reasons, defines entrepreneurship as the creation of new goods, services, processes, raw resources, organizational structures, and markets. Furthermore, Schumpeter (1934) with his entrepreneurial paradigm views entrepreneurship as a creative act and innovation. Entrepreneurship is about creating something that did not exist before and is a process of creating added value for individuals and communities, and is based on perception and seizing opportunities (Johnson, 2001) Sustainable entrepreneurs are also characterized by the value they create at the organizational and societal levels. By articulating a holistic value proposition (O'Neill et al., 2009) they have been shown to be able to reconcile the dual goals of sustainable development and wealth

accumulation, thereby resolving the dualistic gap between opportunistic business and altruistic charity (Tilley and Young 2009; Parish 2010). When used effectively, strategic entrepreneurial behavior can create value for society, organizations, and individuals (Hitt et al., 2011), which aligns with the idea of hybrid organizing (Doherty et al., 2014). By using their business as a vehicle to contribute to environmental quality and social welfare, in addition to fulfilling their own interests, they fulfill two main functions: together by creating economic value, sustainable entrepreneurial activities can have a big impact on a larger scale. structural shift towards a more sustainable society (Parrish and Foxon 2009). As such, sustainable forms of entrepreneurship extend the role of business beyond market success to initiating societal changes and changing market and regulatory conditions (Schaltegger and Wagner 2011).

Entrepreneurs are required to make many decisions including identifying opportunities, acquiring resources, composition of teams, etc. Any decision making mistake can lead to startup failure. Entrepreneurial decision making plays an important role in entrepreneurial outcomes and is a major factor causing differences in performance (Franco and Haase, 2009). In the practice of entrepreneurial sustainability, the development of integrative solutions is not a smooth process, but often presents managers with tensions and conflicts between objectives (Haffar and Searcy 2019; Hahn et al. 2015; Joseph et al. 2020).

The literature on cognitive frameworks in sustainability indicates that the effectiveness of a managerial approach to business sustainability is determined by managers' recognition of organizational tensions involving choices related to environmental, social, and economic (Hahn et al. 2014, 2015; Sharma and Jaiswal 2018; Todaro et al. 2019). Entrepreneurs must be able to make organizational decisions by considering financial, environmental and social costs and benefits. These decisions usually prioritize activities that are important to the success of the company but do not have a negative impact on the ecological and social environment in which the company operates (Shepherd and Patzelt, 2011) and/or prioritizing activities that have the potential to restore or maintain the environment in an effort to re-establish a healthy balance between nature, people, and economic activity (Parrish 2010). Thus, attitudes, motivations, and other mental states necessary for decision-making in the context of entrepreneurial sustainability are considered to be different from attitudes that support the type of decision-making that leads to a single economic

outcome, such as in purely commercial ventures (Munoz, 2017).

In developing countries Small and medium enterprises play an important role in global economic growth and job creation SMEs represent around 90% of business and more than 50% of employment worldwide. developed is used for personal expenses to support the lives of entrepreneurs. This reality has given rise to the need to measure the performance of SMEs using personal wealth indicators as suggested in Eijdenberg (2016). Since the use of personal wealth to measure the performance of SMEs in less developed countries such as Tanzania is a new approach, it is not yet known whether entrepreneurial orientation influences the measure (Eijdenberg, 2016). This is in line with previous research where the results of the study found that competitive advantage mediates the relationship between entrepreneurial orientation and SME performance for company growth and personal wealth performance measures. This study has contributed to the existing literature by providing evidence on the use of personal wealth as a measure of SME performance. (Ardjouman Diabate. 2019).

Women's entrepreneurship has become a very interesting topic among researchers. to start their own business. Women entrepreneurs are starting to set standards of behavior that differentiate them as an effort to create their own identity (Teoh & Chong, 2014). Lockyer & George (2012). The development of women's entrepreneurship in developed countries has received significant attention in recent years. The acceleration of economic growth requires an increase in the supply of women entrepreneurs (Shah, 2012). Women entrepreneurs are able to make economic changes in their families and communities, as well as inspire others to become independent. Women entrepreneurs own 37% of all businesses worldwide and generate an estimated US\$ 29–36 billion through business in the Asian region (VanderBrug, 2013).

Method

Previous literature reviews examined Entrepreneurial Sustainability in general and in particular Women Entrepreneurs, in order to provide an integrative guide that allows for easier assimilation of several factors affecting the sustainability of Women's Entrepreneurs. This research model also uses the literature review method by collecting several journal articles that are in line with the research in the research conducted by the author. This method is carried out to deepen knowledge,

find out relevant results, know the development of science in a particular field, clarify the problem under study and know the latest methods of solving problems. The first step in this literature is to collect studies that are in accordance with the last ten years, then classify them based on the type of business and then analyze several literature studies that influence the sustainability of women entrepreneurs. Several previous studies have examined the factors that influence the sustainability of entrepreneurship in general and specifically for women entrepreneurs, both large and small scale. In general, a review of the literature on entrepreneurship sustainability shows that business opportunities, learning and decision-making are factors that have a significant influence on entrepreneurship sustainability.

Results and Discussion

In reviewing the entrepreneurial sustainability literature, several factors have been found that have a direct influence on the sustainability of entrepreneurship in general and in particular for women entrepreneurs, namely learning, decision-making and business opportunities: Learning is a process that leads to change, which occurs as a result of experience and increases the potential for improvement performance as well as future learning, Ambrose et al, (2010). According to Reuber & Fischer, (1994), One way to distinguish between these concepts of entrepreneurial experience and learning is to consider the entrepreneur's experience as direct observation, or participation in events associated with the creation of a new venture. The importance of learning for women entrepreneurs is described by Kolb (1984) who divides it into two basic dimensions of experiential learning—acquisition (grasping) and transformation. The former can be said to correspond to "experience" (hereinafter referred to as entrepreneur experience), while the latter is considered equivalent to "knowledge gained from experience" (hereinafter referred to as entrepreneurial knowledge). Whereas the practical wisdom resulting from what an entrepreneur faces represents the knowledge gained from this particular experience (Reuber et al., 1990).

Women entrepreneurs also have a good role in the economy in Indonesia. The importance of women entrepreneurs in contributing to economic development must be supported by the potential constraints they have, such as personality and environmental support (Nneka, 2015; Molino et al., 2018). A strong and unyielding personality, including support from the environment, especially the family environment (Neneh, 2017), is very important for business continuity (Genoveva &

Gaby, 2019). In addition, other studies have suggested that learning and managerial skills or competencies in business can support company performance (Ismail, 2014; Schneider, 2017; Genoveva & Gaby, 2019). This is in line with the results of a study conducted by Patzelt and Shepherd (2011) showing that it is important to identify prior knowledge of various learning sources about learning experiences and entrepreneurial knowledge. This finding leads to the following implications for policies in sustainable entrepreneurship practices that the introduction of social, economic, and ecological aspects is an important element in recognizing opportunities for sustainable entrepreneurship.

Bonvoisin (2008) conducted research on the influence of decision making on sustainability, considering various influences on decision making, before focusing on the role of the appraisal process in raising awareness and guiding development towards sustainability. Research results have an environmental perspective, because societies and economies depend on a healthy environment, and because the poorest people depend most on environmental services and are the most vulnerable to environmental hazards. But to make sustainable development at the heart of policy-making requires greater understanding and greater effort. major role in raising awareness of the importance of the environment in everything from commerce and employment to poverty reduction and human well-being.

Decision making is becoming more and more challenging due to the increasing complexity of modern technical products. Many industries today are at a crossroads, and the wrong strategic or technical decisions can have disastrous consequences for a company's future. In this paper, the SMH approach, which supports decision-making processes to emphasize sustainable solutions regarding strategic and technical aspects, is introduced. SMH is an acronym that stands for a decision-making approach that includes systems thinking (S), model-based systems engineering (M) and human factors (H).sustainable building. Furthermore, referring to Shane and Venkataraman (2000), Lida P. Kyrgidau's research (2017) examines the concept of entrepreneurial sustainability defining that sustainable entrepreneurship is "a teleological process aimed at achieving sustainable development, by finding, evaluate, and exploit opportunities and create value that results in financial returns, economic prosperity, social cohesion, and environmental preservation". Thus, the three dimensions of entrepreneurial activity, social, economic and

environmental, function as interrelated subsets of the broad concept of sustainable entrepreneurship. This is in line with the study by Ruven Hanohov, Leonie Baldacchino, (2017) who argued that the introduction of social, economic, and ecological aspects is an important element in recognizing opportunities for sustainable entrepreneurship, so it is recommended that sustainable entrepreneurs deliberately pay attention to what is happening in society, nature, and economics, to recognize trends and changes in these areas and thereby increase their ability to recognize opportunities.

Furthermore, the results of research by Mercedes Barrachina Fernández et.al (2021) suggest that women who have a concern for sustainability when starting a new company for women entrepreneurs can have stronger potential to take advantage of business opportunities in sustainable entrepreneurship, and this should be supported by policy makers in order to realize a future prospect based on sustainable development. From an academic perspective this is in line with what Elkington put forward in 1994 based on the context of sustainable values in the business practices of entrepreneurs. Elkington in 2004 concluded that there are three main value creation aspects in sustainable behavior, namely: (a) Economic welfare; (b) Environmental quality and; (c) Social justice.

Conclusion

The results of implementing strategies based on learning, business opportunities, and women's entrepreneurial decision-making allow businesses to adapt to a changing environment so that sustainability can be created in businesses started by women, as several researchers have found that the superiority of women-owned companies in the process of economic growth of a country (Sarfaraz, Faghih, & Majd, 2014) (Bjørnskov & Foss, 2016) (Zahra & Wright, 2016) (Ratten, 2017). Over the past few years, the participation of MSMEs in economic development owned by women in developing countries has largely increased due to their potential to provide more employment opportunities for their women (Gonzales, Hommes, & Mirmulstein, 2014) (Kelley et al., 2017) (World Bank Group, 2018) (Nasir, Iqbal, & Akhtar, 2019).

Building on the development of the notion of women's entrepreneurship and sustainability, this study presents a new take on the sustainable entrepreneurship literature. By linking several factors that affect the sustainability of women entrepreneurs. This is in line with research conducted by

Kamna Anum et.al (2022) which shows the link between the growth of women's entrepreneurial businesses and national development goals that implement social environmental sustainability. This study has limitations because it only reviews some literature, therefore further review is needed so that it can provide valuable suggestions for future research. This study also needs to be equipped with a strong concept to clearly illustrate the determinants of success associated with women's business sustainability. Secondly, based on interdependencies between various factors such as independent variables.

COMPETING INTERESTS

The author has no competing interests to declare.

Author's Affiliation

Monalisa¹, Otto Randa Payangan, Syamsu Alam, and Maat Pono, Arianto Taliding

Hasanuddin University, Faculty Of Economics and Business,
Makassar, Indonesia

COPYRIGHT:

© 2023 The Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC-BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited. See <http://creativecommons.org/licenses/by/4.0/>. *Seybold Report* is a peer-reviewed journal published by Seybold Publications.

HOW TO CITE THIS ARTICLE:

Monalisa, Payangan, O. R., Alam, S., Pono, M., & Taliding, A. (2023). Factors Influencing The Sustainability of Women Entrepreneurship. *Seybold Report Journal*, 18(05), 33-42. <https://seybold-report.com/>

References

- Anum, K., Wahab, S. A., Bakar, A., Hamid, A., & Kureshi, N. (2021). Women Entrepreneurs' Sustainable Performance. *Journal of Positive School Psychology*, 2022(11), 2498–2506.
- Aparicio, S., Turro, A., & Noguera, M. (2020). Entrepreneurship and intrapreneurship in social, sustainable, and economic development: Opportunities and challenges for future research. In *Sustainability (Switzerland)* (Vol. 12, Issue 21). <https://doi.org/10.3390/su12218958>
- Basu, A., & Altinay, E. (2002). The Interaction between Culture and Entrepreneurship in London's Immigrant Businesses. *International Small Business Journal*, 20(4), 371–393. <https://doi.org/10.1177/0266242602204001>
- Bosma, N., Content, J., Sanders, M., & Stam, E. (2018). Institutions, entrepreneurship, and economic growth in Europe. *Small Business Economics*, 51(2), 483–499. <https://doi.org/10.1007/s11187-018-0012-x>
- Doherty, B., Haugh, H., & Lyon, F. (2014). Social enterprises as hybrid organizations: A review and research agenda. *International Journal of Management Reviews*, 16(4), 417–436. <https://doi.org/10.1111/ijmr.12028>
- Ferreira, M. P., Reis, N. R., & Pinto, C. S. F. (2017). Schumpeter's (1934) Influence on Entrepreneurship (and Management) Research. *Revista de Empreendedorismo e Gestão de Pequenas Empresas*, 6(1), 04–39. <https://doi.org/10.14211/regepe.v6i1.483>
- Figge, F. (2014). *COGNITIVE FRAMES IN CORPORATE SUSTAINABILITY: MANAGERIAL SENSEMAKING WITH PARADOXICAL AND BUSINESS CASE FRAMES* Royal Holloway University of London. 39(4), 463–487.
- Franco, M., & Haase, H. (2009). Entrepreneurship: An organisational learning approach. *Journal of Small Business and Enterprise Development*, 16(4), 628–641. <https://doi.org/10.1108/14626000911000965>

- Galindo, M. Á., & Méndez-Picazo, M. T. (2013). Innovation, entrepreneurship and economic growth. *Management Decision*, 51(3), 501–514.
<https://doi.org/10.1108/00251741311309625>
- Genoveva, G. (2021). The Sustainability of Women's SMEs During COVID-19 Pandemic. *Jurnal Ekonomi Indonesia* •, 10(3), 2021.
- Haffar, M., & Searcy, C. (2019). How organizational logics shape trade-off decision-making in sustainability. *Long Range Planning*, 52(6), 101912.
<https://doi.org/10.1016/j.lrp.2019.101912>
- Hahn, T., Figge, F., Pinkse, J., & Preuss, L. (2018). A Paradox Perspective on Corporate Sustainability: Descriptive, Instrumental, and Normative Aspects. *Journal of Business Ethics*, 148(2), 235–248. <https://doi.org/10.1007/s10551-017-3587-2>