

Perspectives on business performance from female entrepreneurs in the Tanzanian Tourism Industry.

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Preface

This report is the result of my graduation research for my Master program International Business and Management, affiliated to the faculty of Economics and Business at the University of Groningen, the Netherlands. The reported research is the graduation thesis, conducted during the period between January 2014 and September 2014.

I would like to thank my supervisors Clemens H. Lutz and Bartjan J.W. Pennink, and Irene Lugalla for offering me this research opportunity and their feedback on my drafts. Also I would like to thank Irene Lugalla for helping me with the interviews in Arusha. My sincere appreciation goes to all female entrepreneurs who took the time to answer my questions and provided me with valuable and personal insights from their entrepreneurial experiences, and ideas.

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Summary

In the past two decades, the share of female entrepreneurs in Sub-Saharan Africa has been increasing, especially in micro and small businesses in the informal sector. As a result, female entrepreneurship studies have been increasing in the past few years. Focussing on the business performance of female entrepreneurs, many female entrepreneurs have different entrepreneurial motivations or may be pursuing other goals than just financial which leads to differences in the performance of their business. Therefore the main research question of this study is: How is business performance among female entrepreneurs in Tanzania differently measured than in existing literature?

Business performance is one term among many that all refer to the same broad definition of the success of one or more outcomes of a business. The success could be shown through financial and non-financial measures. On a scale from large companies on one end to micro-sized enterprises on the other, the measures change accordingly from being almost solely financial to more subjective measures. For female entrepreneurs personal motivations, goals and aspirations are the drivers that partially determine business performance. As the female entrepreneurs in tourism industry of Tanzania are small and micro-sized enterprises, the subjective measures are of particular interest. The perception of the subjective measures to business performance are questioned through open interviews in Arusha, Tanzania, in May 2014. The input for the interviews is based on a review of literature, selected on two criteria, firstly being either about female entrepreneurs or a comparison of male and female entrepreneurs, and secondly in which business performance measures were used as a variable.

The literature review revealed that there is little consensus on how to measure business performance looking at the individual measures used. The majority of the articles use different combinations of both non-financial and financial measures. Moreover, although there are many ways to measure business performance, the actual measurements still seem to concentrate on financial indicators. All measures found in the literature, were clustered into the following topics and formed the basis of the interview: entrepreneurial motivation, goals and aspirations, and perceived and self-assessment of business performance.

The open interviews revealed that business performance by Tanzanian female entrepreneurs in the tourism industry is, in line with the literature review, not strictly regarded as financial but rather a combination of financial and non-financial measures. Income or profit are perceived as financial indicators. But the focus on non-financial business performance is

perceived to be based on the quality of service and customers. Business performance is according to the female entrepreneurs best measured by financials, number of customers and customer satisfaction, as it includes a potential future projection for stable income. The main motivation for being an entrepreneur and goal and aspiration for the future, is largely based on the possibility to contribute to the (local) community. For example, being a role model for the community and supporting the building of a school. Furthermore, the social contact seems to be an important component for satisfaction of the entrepreneurship, being a better work-life balance, contacts with customers or to support one's own family.

This research thus shows that female entrepreneurs in Tanzania use a combination of financial and non-financial measures to assess their business performance as was suggested in literature. But in addition to existing literature it is important for them to contribute to the local community, to fulfil their social aspirations with the (basic) need for income which are a source of satisfaction and aspiration.

However, the social factor could be the result of the cultural aspects of the location. The answers to the perception of business performance could be different in other cultures around the world. Further research could be conducted to compare these finding in the perception with other cultures. Furthermore, the findings of this research could be more validated when a larger sample size is taken or extended to other sectors. Nevertheless, the increasing role of female entrepreneurs in Tanzania and their supporting role for their communities could provide a basis for local economic development at large.

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1 Introduction

1.1 Problem formulation

In the past two decades, the share of female entrepreneurs in Sub-Saharan Africa has been increasing, especially in micro and small businesses in the informal sector (Tundui & Tundui, 2012). In Uganda, for instance, women account for 40 percent of all micro and small businesses (Ellis, Manuel, & Blackden, 2006), in Kenya, 48 percent of micro and small business owners are women (Ellis, Cutura, Dione, Gilson, Manuel & Thongori, 2007). In Tanzania the women-owned enterprises make up for 43 percent of the total amount of national micro and small businesses (Cutura, 2007). As a result, the increasing share of female-owned businesses has increasingly led to female entrepreneurship studies in the past few years (Brush, Bruin, Gatewood, & Henry, 2010).

Something prominent about most female entrepreneurship studies is that the majority of women entrepreneurs are operating at the end of the value chain within micro or small businesses (Brush & Chaganti, 1999; Cutura, 2007). And despite the increase of women becoming entrepreneurs, these women-owned enterprises seem to underperform businesses owned by men in a number of performance measures (Stevenson & St-Onge, 2005). Tundui (2012) found that, compared to male entrepreneurs, female entrepreneurs are inclined to have lower growth aspirations but in the end are satisfied with the business performance they have achieved. Compared to men, women do not aim as high with setting their goals for business performance and consequently they do not struggle to achieve a higher business growth (Tundui, 2012). In addition, Brush (1992) argues that many female entrepreneurs may be pursuing other goals than growth in financial measures. This suggests that female entrepreneurs evaluate their business performance not only by financial measures but also by non-financial measures and in some cases the latter can even be more important than the former. Brush & Hisrich (2000) draw attention to the interdependence between performance, success, and goals, as they also state that performance differences between male and female businesses depend on the measurements used, emphasizing that future research should study outcomes other than financial measures. This study aims at identifying the measures female entrepreneurs use self-assess their business performance and which aspects play a role.

In sum, performance is mostly being measured and perceived in financial terms as profit, return on investment or revenue as examples. However, these different findings about growth or other measures for business performance, which are pursued by female entrepreneurs, indicate that there could be more to business performance than just financial matters.

Therefore the main research question of this study is: How is business performance among female entrepreneurs in Tanzania differently measured than in existing literature?

1.2 Research outline

This study aims at identifying and describing the measurement of business performance by female entrepreneurs, and the motivation, goals and aspirations that are considered to be the driving forces to their business outcomes. Using merely western literature for identifying these perceptions of business performance of female entrepreneurs in Tanzania tests the applicability of the studied business performance measures within the Tanzanian culture. Also, this study makes an effort in identifying which subjective business performance measures are important for female entrepreneurs, which in turn is helpful for future studies where business performance will be measured.

To answer the main research question and to reach this objective, the following sub questions are defined:

1. How is business performance measurement evaluated in literature?
2. Which measures of business performance are differentiated in literature and how is this perceived by female entrepreneurs?
3. Which measures are used by female entrepreneurs to evaluate their business performance?
4. To what extent do these measures of business performance lead to satisfaction?

2 *Perspectives on business performance*

In this chapter business performance measurement in literature is addressed. This concludes with the answer to the first sub-question: which measures are used in literature to evaluate business performance? This chapter describes the differences of business performance measurement in literature according to size and type of owner(s). depending on size, specifically ... on female entrepreneurs.

2.1 The term ‘Business Performance’

The concept business performance is one that has many explanations and usage in literature. Business performance has been named in different ways of which ‘business performance’, ‘firm performance’, and ‘organizational performance’ are the most commonly used. In this paper, these names all refer to the same broad definition of business performance: the success of one or more outcomes of a business. These outcomes can be measured in financial terms or non-financial measures. The former is the most common in business literature although depending on the size and type of ownership, in some areas, mostly micro and small business research, there has been an increasing emphasis on the non-financial measures.

In research a variety of measures have been introduced to empirically define business performance (Brush & van der Werf 1992; Murphy, Trailer, & Hill 1996, Coleman & Kariv, 2013). These include firm revenues and profits as well as the number or growth in employees, customers, and sales (Chandler & Hanks 1993; Robb & Watson 2012; Zahra & Hayton 2008; Coleman & Kariv, 2013). The performance measures used depend upon the different types of ownership of firms and also their size. A distinction can be made between large publicly-held firms, large and medium sized privately-held firms and micro and small businesses to explain the different types of performance measurements and the extent to which non-financial measures are involved to assess business performance.

2.1.1 *Large publicly-held firms*

Business Performance has been an important component of empirical research in the field of business policy of larger corporations (Dess & Robinson, 1984). A significant portion of strategic management research is directed at large, diversified, publicly-held firms. In general the business performance measures in strategic management literature used for assessing publicly held firms, are restricted to financial measures (Neely, 2002). Neely (2002) argues that the measurement and judgement of business performance depends on the interest of the owner or shareholder(s). In publicly-held firms shareholders invest their capital and for this

risk, they want a monetary compensation in return (Dess & Robinson, 1984). Additionally, publicly-held companies are in many cases bound by the rules of the International Accounting Standard. Their annual reports, consisting of merely financial performance measures, are published and can be easily accessed by researchers. For researchers the difficulty with publicly held firms is, that all or parts of such data are interwoven within the corporate-wide data which is displayed in these annual reports (Dess & Robinson, 1984). Non-financial measures can also be a component of these annual reports. They reflect the achievement of non-financial goals based upon requirements of the people and environment affected by the company, such as decreasing pollution, providing jobs for local people and increasing the welfare of the local community and/or country where the company is located.

Important to note here is that these goals are also partially based upon the requirements of other stakeholders than the actual owners, such as, local people, environmental groups, and social groups.

2.1.2 Medium and large privately-held firms

The performance criteria of medium and large privately-held firms is bound by less financial measurement constraints than publicly-held firms, because it is owned by fewer members, i.e. a single entrepreneur, a family or business partners. The continuance of the company relies upon financial outcomes used to pay for assets, investments, employees etcetera. But there is a small amount freedom to pursue the non-financial goals of the owners as being able to employ family members, for instance (Mahto, Davis, Pearse & Robinson jr., 2010).

Researchers often encounter problems obtaining objective measures of selected aspects of organizational performance that are reliable and valid. With privately held firms such data are frequently unavailable (Dess & Robinson, 1984). Owners, very sensitive about releasing any performance-related data, are the sole gatekeepers to such information on individual firms (Dess & Robinson, 1984).

2.1.3 Small and micro sized firms

The performance of small firms has been found to be contingent upon the strategies they use (Covin, 1991). That is, the ability to formulate and implement effective strategies has a major influence on the survival or failure of small businesses. Strategies are less formal in small firms and originate from the owner-manager who is the key decision-maker (McCarthy, 2003). Since small firms do not normally have written statements of strategy, their strategies are inferred from evolving patterns of owner-manager behaviour and resource allocation

(Schindehutte & Morris, 2001). Strategy in small firms may or may not be intentional and generally emerges through a series of incremental adjustments to the opportunities and threats confronted by the firm over-time (Boohene, R., Sheridan, A. & Kotey, B., 2008).

The business goals of small business owners are, for the most part, subsumed under the personal goals of the entrepreneur. Especially when the small business owner is working on a full-time basis in the business it is logical to assume that the majority of the decisions will be made by the owner(s) (Walker & Brown, 2004). The underlying motivations of entrepreneurs set the performance goals for their business (Mahto et al., 2010). Therefore the decisions that are made by the entrepreneur will be reflected upon the goals that arise from these motivations, ambitions and aspirations. Logically, the business performance will be a result from these aspired goals, to the extent to which the external influences allow the entrepreneur to reach these goals.

Because the performance of small businesses is a reflection of the goals of the owner-manager then before measuring business performance it is important to look at the motivations of that particular entrepreneur first to understand why these goals are formed and also what goals are formed. Business performance can be expressed in financial and non-financial terms. The measurement of business performance can occur either with financial measures such as profit, turnover or income, or with non-financial measures such as satisfaction (Tundui, 2012) or work-life balance (Eddleston & Powell, 2012). Non-financial measures of success used by business owners are subjective and personally defined (Walker & Brown, 2004).

2.2 Female entrepreneurship

Akehurst, G., Simarro, E. & Mas-Tur, A. (2012) show that different internal and external factors affect the motivation, obstacles to success and performance of firms created by women. They state that type of financial support, demographic factors, age at which the new business venture is undertaken, use of family loans and the initial size of firm are all instrumental in subsequent business success. However, other studies (Bird, 1988; Cooper, 1993; Davidsson, 1991; Herron & Robinson, 1993) have shown that business expansion also depends on the motivation of owners and their attitude and intentions with regard to the future of the firm. Personal motivation, goals and aspirations can be seen as the internal driving forces towards different business outcomes depending on where the emphasis of the entrepreneur lies. Carter (1989), for instance, argues that the personal ambitions of women and their domestic arrangements largely determine the ways in which their enterprises evolve.

The goal then becomes the benchmark of performance that owner(s) use for judging the venture performance (Locke & Latham, 2002). The performance of the businesses is then explored from the perspective of individual financial and non-financial criteria of success (Walker & Brown, 2004). Therefore both financial and non-financial criteria are important in exploring the perspectives on business performance from female entrepreneurs. Motivations, goals and aspirations are also included, because they are drivers for differences in business performance.

2.3 Summary

The term business performance is one of many, but all refer to the same broad definition of the success or failure of one or more outcomes of a business. The success could be shown through financial and non-financial measures. On a scale from large companies on one end to micro-sized enterprises on the other, the measures change accordingly from being almost solely financial to more subjective measures. Meaning that in large companies the measurement of business performance is merely based upon financial indicators such as profits, revenues, return on assets, and return on equity. But the smaller the company, the more room there is for the personal goals and motivations of the entrepreneur(s) to become ground for decisions and the resulting business performance. Then non-financial aspects such as a work-life balance, and satisfaction can be indicators of success to the entrepreneur. In addition, for female entrepreneurs personal motivations, goals and aspirations are the drivers that partially determine business performance. There are no analogies with research for larger firms to assess business performance, as this research focuses on small and micro-sizes

3 Methodology

This research is conducted by using two research methods: a literature review and a qualitative research in the form of an interview.

3.1 Literature review

The literature study is used to address the current state of measuring business performance. The review will be used to answer the first two sub-questions. Based on this study, the basis for the qualitative research is made, as it is input into the questionnaire. It further serves to identify what information gathered by the qualitative study is new and what corresponds with already existing literature.

The most common financial and non-financial measures of business performance used in literature were identified by screening the special editions on women entrepreneurship in 2012 and 2007 of “Entrepreneurship Research and Practice”. Following this procedure the references in the articles of these special editions were then screened to get a sufficient sample of literature and a valid overview of business performance measures used in female entrepreneurship studies. All the gathered female entrepreneurship literature was first selected on the criteria that the study should either be about female entrepreneurs or a comparative study between male and female entrepreneurs. The second selection involved screening which business performance measures were used in the study as a variable. These were used to build a framework of the most common measures used to test business performance.

3.2 Qualitative research

This study was executed in two phases. In the first phase, a literature review was conducted, followed by in-depth face-to-face interviews in the second phase in order to build up different case studies of female entrepreneurs in the tourism industry in Arusha. Because differences in subjective business performance had not been studied before, the different researched forms of business performance needed to be explored in order to gain more understanding of what was already researched and what type of qualitative and quantitative criteria were used. This also enabled the second phase of the study: the in-depth interviews. This approach allowed for an emphasis on the different perspectives and experiences of the self-employed women who participated in the study. The current study is an exploratory case study in the sense that it is an attempt to understand and identify the perception of business performance of female entrepreneurs. The in-depth interviews were held in Tanzania. Although there were several regions that could have been studied such as Dar es Salaam and Zanzibar, there was not

enough time to conduct research in all the regions attracted by tourists. Arusha was chosen because of the dense population of safari businesses and accommodations. Another reason for choosing Arusha is that it is an urban area, from which most safari businesses operate and where their headquarters are situated. Additionally, accommodations were expected to be dense in an urban area often visited by tourists.

The next section describes the research procedures for in-depth interviews.

3.2.1 The Sampling Procedure

The interviews were held only in the tourism industry, consisting of safari businesses, accommodation businesses, and souvenir shops located in Arusha. Arusha was chosen, because of its ideal site between the Kilimanjaro and several national parks including Serengeti. The probability of finding enough suitable participants was deemed high within this area. The total number of female entrepreneurs was estimated to be around 30 including safari companies, accommodation, and shops selling souvenirs. A non-probability sampling method was used in order to get as much respondents as possible. By a purposive sampling approach (Patton, 1990) female entrepreneurs in the tourism industry who might agree to participate in the study were identified. The female owner-managers were found via one entrepreneur in Arusha, also operating in the tourism industry. The female entrepreneurs were then contacted via email, telephone, or via acquaintances. These entrepreneurs were then selected to meet the following criteria: Ownership of minimum 50 percent, companies that have already been in business (i.e. no start-up companies), and the owner (woman) should also be managing the business. There was effort made to find as much respondents as possible that fitted within the criteria that at least two entrepreneurs per sector (accommodation, safari, and souvenir shop). The use of the non-probability sampling method for studying small and micro enterprises is very common in Tanzania. Previous researchers (ILO, 2003; Mbwapo, 2005; Nchimbi, 2002; Olomi, 2001; Tundui, 2012) have also used this method due to lack of proper databases.

3.2.2 Interviews

In total ten respondents were found of which two women owned a souvenir shop, three women owned a safari/ tour company and five owned accommodation facilities. A more extensive description of these respondents is given in chapter 5.

The in-depth interviews were conducted in Arusha and these ten women met the criteria described in the previous paragraph: the sampling procedure. The personal interview method

was used as a method for data collection, with a semi-structured interview guide. This interview guide is based on the sets of questions based on the outcome of the literature study: Business history, motivations, goals, aspirations, and business performance.

The interviews lasted between one and two hours. The interviews were taped when possible and allowed in order to have full attention for the conversation. After the interview the information was transcribed. In case of unclear other issues, the respondents were contacted by telephone or email to gain the additional information needed.

The important sentences relating to one of these topics were then used for the chapter 5: perspectives on business performance in Tanzania.

4 Literature review of business performance measures for female entrepreneurs

The following literature review study specifically looks at the performance measures that have been used in female entrepreneurship literature and the combination of different measures in order to find the most commonly used measures.

4.1 Business performance measures

Following a review of 29 articles selected on the criteria that the study should either be about female entrepreneurs or a comparative study between male and female entrepreneurs, and on the criteria that business performance measures were used in the study as a variable, the following measures are found.

4.1.1 Single measure, financial

Of the studies selected for this review there are six that used one financial measure for business performance.

In their study Danes, Stafford, & Loy (2007) use **gross revenue** as single business performance measure. They chose this measure, in part, because most of the businesses in their sample were small, and revenue is one of the simplest ratio measures of financial performance. Alsos, Isaksen, & Ljunggren, (2006) use **sales turnover** as single financial measure of early business growth. Yang, Chen, & Yang, (2013) define financial performance, the dependent variable, as a natural logarithm of **net income** of audit firms. They define net income of audit firms as total revenues minus total expenses plus sole proprietors salaries. They add the salary expenses of sole proprietors back to the operating profit, because the salaries of the sole proprietors, weekly or monthly, are a part of total expenses of the firms.

Diaz-Garcia and Brush (2012) use **gross revenues** as a measure of difference in business performance between male and female entrepreneurs.

In the article of Bruhn & Zia (2013), the effect of training on a business is researched. While these effects are linked to improving knowledge of business concepts and practices, and on sales, it is also related to business performance. In this research, business performance is defined as the **change in monthly profits**.

Research specifically on female entrepreneurs in Tanzania was conducted by Tundui and Tundui (2012). They note that profitability is the easiest way to measure business performance, but that this might be difficult for the micro and small business in the country

due to poor record keeping and unwillingness to provide the data. As a result, they use the measure of **sales minus expenses**. More specifically, they differ between the result of the measure from new clients since the entrepreneur joined a micro financing programme, and that of existing clients throughout the last six months.

For the purpose of measuring the financial performance sole financial measures get chosen, because there are difficulties in obtaining data on financial performance (Anna, Chandler, Jansen, & Mero (2000). It is also possible that the author(s) deliberately look(s) at one specific variable such as early business growth (Alsos et al., 2006) in order to focus on whether the availability of financing has an association with specifically the growth in the early stage of the business.

Using a financial measure seems to be focussed on assessing the business performance from an economic perspective and not so much from the perspective of the motivations of the entrepreneur. Even though the entrepreneurs in the samples may aspire early business growth, or gross revenue, this is not the approach of these single financial measure studies. It basically depends on the goal(s) of the researcher what is to be studied and which measures are sufficient to be able to conclude whether there is an actual association with the independent variable and business performance as dependent variable.

4.1.2 Single measure, non-financial

Carter, Williams, & Reynolds, (1997) test the assumption that if the strategy that women-owners adopt exploits the unique capabilities they derive from their socialization, they can improve the performance of their firms and ward off **discontinuance**.

Eddleston & Powell (2012) use the variable **satisfaction with work–family balance**. The entrepreneur's satisfaction with the level of balance achieved between his/her work and family life which was assessed on a 5-point scale (1 = not at all satisfied, 5 = very satisfied) with three items: integrating my business life with my non work life, achieving work–family balance, and gaining greater control over my life. These items represent outcomes of entrepreneurship pertaining to one's personal life as an entrepreneur and sense of control over it (Bird & Brush, 2002; Brush, 1992; Heilman & Chen, 2003).

4.1.3 Multiple measures, financial

Anna et al., (2000) measure financial performance by two measures of sales: **actual sales and sales growth**. They state to follow the entrepreneurship literature and combine this with Chandler & Hanks' (1993) recommendation. Data on sales and sales growth was asked for in

their survey, in addition to some open-ended questions regarding motivation for becoming an entrepreneur. Other studies of entrepreneurs have used similar measures of business performance: (1) size of business, (2) profitability (i.e., Was your business profitable?), (3) gross revenues in categories for the previous year and (4) an open-ended question about the owner's monthly income (Brush & Hisrich 1991; Brush & van der Werf 1992; Lerner, Brush, & Hisrich 1997). Sales figures used here represent the total pre-tax sales for each business in the most recent year (in this case 1994) as reported by the respondents. Sales, as the dependent variable, was also controlled for by the age of the company (Chandler & Hanks 1993) and state the business was located in.

Fasci & Valdez (1998) their principal focus of the research was to compare the productivity of male-owned and female-owned accounting firms. The components of productivity were defined as annual **gross revenue** and annual **net profit** for the firm. The dependent variable in their study was the **ratio of net profit to gross revenue** of the business (the "profit ratio"). This ratio measures both the overall productivity of the firm and managerial efficiency.

To assess the performance of new Korean ventures Lee & Marvel (2014) used two output-intensity performance measures: domestic **sales per employee** (i.e. firm performance in their home market) and **exports per employee** (i.e. firm performance from foreign markets). Output intensity performance measures included aspects such as total sales, while not including internal firm costs or investments, and are less vulnerable to accounting conventions (Li, 2004; Lee & Marvel, 2014). They divided the total domestic sales revenue and total foreign export sales revenue by the number of employees of each venture. This approach allowed them to consider the different size of inputs utilized to achieve the output levels (Watson 2002; Lee & Marvel, 2014).

Because previous studies have tended to limit their assessment of performance to output measures (sales or profit, for example) without relating these output measures to appropriate inputs (such as total assets or owner's equity). Watson (2002) approaches this differently by **income to total assets** (TITTA), **the return on assets** (ROA), or **the return on equity** (ROE).

4.1.4 Multiple measures, non-financial

In this selected literature review there were no articles found on more than one non-financial measures, and that matched the two criteria to be either about female entrepreneurs

or a comparative study between male and female entrepreneurs, and in which business performance measures were used as a variable.

4.1.5 Combinations of financial and non-financial

The majority of the articles used combinations of financial and non-financial measures, albeit that some use financial measures at the core of the research while non-financial measures are regarded to provide additional information to explain the financial results.

Chaganti, & Parasuraman, (1997) use three performance measures to indicate business performance. Two of them are financial of nature, being the preceding year's **sales** and the three year average **return on assets** (ROA). The other indicator is non-financial, being three year **growth in employees**.

Collins-Dodd, Gordon, & Smart, (2004) take financial measures as the key variables in their research. However, they include five motivation variables that are based on financial and non-financial to measure the underlying drivers of the financial measures. The two primary financial variables that they used are **gross revenue** and **net profit**. The five motivational variables are the ability to **make more money; the flexibility in work life balance; the desire independence; the level of control on work situations; and level of influence on one's own career**. The latter two variables were added by the researchers as respondents to their questionnaire indicated them as more important to their lives than earning money.

Cuba, Decenzo, & Anish, (1983) found that female owners viewed **self-satisfaction** as the primary motivation. This was followed by their **desire for freedom**, while **profit** was for only nine percent of the respondents the main motivation. Nevertheless, the researchers related the motivations to three variables to measure business performance: **sales, profit, and the age of the firm**. The latter variable was used because an age of over five years was considered as outstanding, and therefore successful, in the country of research.

Del Mar Alonso-Almeida (2013), defines business performance as the company growth. It is measured by an annual change of **total sales** and **total employees**.

In the research by Du Rietz & Henrekson (2000) four performance indicators are used. Two are financial, being the **change in sales** and the **change in profitability** during twelve months. Two other indicators are non-financial, as the researchers use the **change of employment** and the **change in the amount of orders** during the same period.

Fairlie & Robb (2009) acknowledge that single indicators do not provide a full picture of the performance of a business. They therefore use a combination of measures, being **closure, profits, employment, and sales**. Closure is used as a measure, the researchers argue while referring to an earlier article by Robb (2000), because the level of survival of female businesses could be influenced by the hours available to work in their own business.

The literature study of Johnson & McMahon (2005) recognizes the limited number of research in the field of business performance of female entrepreneurs in small- and medium size enterprises. While referring to Rosa, Carter & Hamilton (1996), they indicate that **financial performance** and **business growth** are the main variables. However, the researchers note that it is difficult to choose the appropriate dependent variables to measure business performance.

According to Kalleberg & Leicht (1991), survival of the organization is the key condition to continuous business performance. As this research defines business performance as the level of success of a company, the researchers note the following variety of indicators to measure it. Financial performance, they show, can be measured by **returns on investment**, but also through market-based indicators like **market share**. They suggest non-financial measures through the level of **satisfaction indicated by stakeholders** in evaluation programs. But, the article continues to use **gross earnings** as the key indicator, as it was their only quantitative indicator in their dataset.

Lerner & Almor (2002) use three variables in their research to measure business performance, **volume of sales, income of the owner, and number of employees**.

Performance measures in Lerner et al. (1997) are the four ones that are previously used by Brush & Hisrich (1991) and those commonly used in entrepreneurship research (Brush & van der Werf 1992). The four measures are the size of the business, **profitability, gross revenues** and **income**. The size of the business was measured by the **number of employees** and the number of full-time/part-time employees. This therefore qualifies as a non-financial measure.

Annual sales and the **number of employees** are the most frequently used measure for business performance, according to Mitchelmore & Rowley (2013). They measured the number of employees through data from the British Chamber of Commerce while dividing it into three different categories, being micro, small and medium firms.

Perry-Smith & Blum (2000) research the effects on business performance from the perspective of the work-family relationship. To measure business performance, their research uses three measures. First they define **organizational performance** as the perceived performance relative to its competitors. Their second measure is **market performance**, which is also compared to the competition, and includes the level of marketing activities and market shares. Finally, they used the financial measures of **profit** and **sales growth**. As their research related the effects of the work-family relationship, they use eight measures on factors that might contribute to a higher business performance. These independent variables were defined as “on-site day care, help with day care costs, elder care assistance, information on community day care, paid parental leave, unpaid parental leave, maternity or paternity leave with re-employment, and flexible scheduling” (Perry-Smith & Blum, 2000).

The research of Powell & Eddleston (2013) defines business performance as entrepreneurial success. The authors measured success with four measures. First, they measure the level of success by **comparing the performance with competitors**. This single measure was based on a six indicators in order to have a comprehensive indicator including a correction for effects within the industry. The items that formed this measure were growth in sales, growth in profitability, return on equity, return on assets, profit margin on sales, and the ability to fund growth from profit. The second measure used in this article was **growth of employment**. The two other measures were about satisfaction. One is about the **satisfaction with status**. This was measured through a 5-point scale on six items, being: satisfaction from financial earnings, social status, leadership, highly regarded, growing a world-class business, and leading a large, rapidly growing enterprise. The last measure was about the **satisfaction with employee relationships**. Also this measure was questioned on a 5-point scale, on: working with friendly and congenial people, working as a part of a team, having supportive employees, providing comfortable working conditions, and developing mutually beneficial relationships with employees.

Robb & Watson (2012) use **closure rates** as one of the measures for business performance, although they note a debate on the validity of it as entrepreneurs could have a variety of reasons to quit a business also during profitable times. The other measures used in this research are financial, being **return on assets** and **the Sharpe ratio**. The Sharpe ratio is a measure named after its author and is a reward-to-variability ratio to indicate the level of risk in a business.

Whereas Singh, Reynolds & Muhammad (2001) use three measures for business performance, being **annual growth rate of employment**, **total size of employment**, and **profit**, Skoufias, Leite and Narita (2013) use only the latter two.

In Watson (2012) it stated that both **firm survival** and **sales growth** are the most important measures. The first is considered to be a minimum criterion to be able to make success, while the latter is seen as the most widely used single indicator for business performance.

4.2 Measures for the interviews

Table 4.1 shows the frequency the way business performance is measured in the selected literature on female entrepreneurship. The table clearly indicated that the majority of the research in this field used combinations of several measures to capture a broader area of business performance.

Table 4.1: Type of measures used in literature.

<i>Type of measures</i>	<i>Frequency in literature</i>	<i>Financial</i>	<i>Non-financial</i>
Single measure, financial	6	(1 * 6) 6	0
Single measure, non-financial	2	0	(1 * 2) 2
Multiple measures, financial	4	9	0
Multiple measures, non-financial	0	0	0
Both financial and non-financial measures	17	29	27
Total	29	44	29

Table 4.1 shows that the majority of the research into business performance is conducted using combinations of both non-financial and financial measures. Moreover, the literature found following its selection criteria did not reveal any literature on more than one non-financial measures.

The variety of different measures used in the 29 articles shows the little consensus on how to measure business performance. On the other hand, most of the articles that use business performance measures use different combinations of both non-financial and financial measures. Moreover, although there are many ways to measure business performance, the actual measurements still seem to concentrate on financial indicators.

The actual measures used in the selected literature are summarized in Table 4.2. In this overview, the measures are clustered to form the basis for the interview. As stated in Chapter 3 on the methodology, the interview will be an open one. This is also in line with the findings

of Tundui & Tundui (2012), stating that financial record keeping could be poor in for small and micro sized business in Tanzania. Moreover, entrepreneurs could be unwilling to provide the financial data. Hence the state of the business is questioned through a self-assessment of the business performance according to the respondents.

Table 4.2: Measures used in literature as a basis for topics for the open interview.

Measures	Topics for interview
<i>Financial</i>	
Gross revenue / sales minus expenses	Perception and self-assessment of BP
Net profit / profitability	Perception and self-assessment of BP
Net income	Perception and self-assessment of BP
Ratio of net profit to gross revenue	Perception and self-assessment of BP
Income to total assets	Perception and self-assessment of BP
Return on assets / on investment / on equity	Perception and self-assessment of BP
Sales turnover / actual sales / sales volume	Perception and self-assessment of BP
Sales growth	Perception and self-assessment of BP
Sales per employee	Perception and self-assessment of BP
<i>Non-financial</i>	
Influence on work	EM, Goals and Aspirations
Influence on own career	EM, Goals and Aspirations
Desire for freedom	EM, Goals and Aspirations
Status	EM, Goals and Aspirations
Satisfaction indicated by stakeholders	EM, Goals and Aspirations
Satisfaction with employee relationships	EM, Goals and Aspirations
Firm survival	Perception and self-assessment of BP
Age of the firm	Perception and self-assessment of BP
Satisfaction with work-family balance	Perception and self-assessment of BP
Self-satisfaction	Perception and self-assessment of BP
Total employees	Perception and self-assessment of BP
Growth in employees	Perception and self-assessment of BP
Change in amount of orders	Perception and self-assessment of BP
Market share	Perception and self-assessment of BP

Note: BP is used as an acronym for Business Performance. EM is used as an acronym for Entrepreneurial Motivation

4.3 Summary

This literature study is based on a review of 29 articles selected on the criteria that the study should either be about female entrepreneurs or a comparative study between male and female entrepreneurs, and on the criteria that business performance measures were used in the study as a variable. The review shows that although business performance is measured financially and non-financially, there is not a clear consensus about a definitive set of measures.

Especially non-financial measure show a great variety, from quantitative aspects like number of employees to subjective measures like desire for freedom.

Following the methodology to conduct open interviews with female entrepreneurs in Tanzania, the following topics will form the basis of the interview: entrepreneurial motivation, goals and aspirations, and perceived and self-assessment of business performance.

5 Perspectives on business performance in Tanzania

In this section the entrepreneurial motivation of the interviewees are described followed by the business performance they deem important, how they measured this and what leads to their satisfaction. Also the goals and aspirations are described. For answering the sub-questions this is the information that is necessary and therefore the results are limited to these three topics.

5.1 Shop 1

This shop sold local made textiles and cloths. M., the owner, is between 36-40 years old, and owns this business two years. She is a single mother with a two-and-a-half year old daughter. This is the first business she has started. The shop is located in the centre of town, near a big shopping mall.

Entrepreneurial motivation

Fashion was M.'s **passion** for a long time. Before becoming an entrepreneur, she aspired designing and selling African clothes and such. She has been to the United Kingdom to work and save some money. After ten to fifteen years she came back to Tanzania she followed her passion by opening a shop with fashion articles. Another reason to start this business was because she wanted to do something for the **community**. Even before she went to the United Kingdom, she did charity work. She regarded starting her business as a means to do more **charity** work. She sees opportunities in doing so by organizing fashion shows to earn money and invest this in a charity. She did not have a particular charity to support, but she rather finds it important to give the rest of her money to charity when people need help.

Perception and self-assessment of business performance

What is of importance to her, and offered by her business is that she is able to combine her household with her business. She has a two-and-a-half year old daughter and running a business makes it easier to combine things. Even though the **work-life balance** is important,

what she finds most important as business performance are her **customers** and their **satisfaction**.

“What is most important is my customers. They being happy means a lot to me. That is important to me, and makes me feel happy. If they are happy with what they buy then I am satisfied.”

Following this, she mentions that if the customers are happy, she expects to get more customers to come to her store. That is important to her, more customers. **Income** is another measure that is of importance to her, because with income she can provide for her and her child and pay the bills.

Goals and aspirations

For the future M. aims to have workshops in tailoring, to train the nowadays hard to find tailors herself. Furthermore, she aims to enable young and unemployed girls to learn a profession and get a job. But her aspiration is larger. Eventually she would like to own a **production company** in clothes and sell these internationally, and thereby **provide jobs for local people**, but also people in other countries. Additionally, she wants to **publish a magazine** for African fashion to market her own clothes.

Conclusion

For M. business performance is perceived as **customer satisfaction** and **income**. To her, this is the basis for growth of customers and future income. But income is not a goal on itself, the main motivation for M. is, her passion, to help the community, through charity and, in the future, through employing others.

5.2 Shop 2

G. has been in the souvenir business for 15-20 years. She is between 50-55 years old and has 8 children. She has had no education after secondary school, and she is divorced. The shop is situated in the centre of Arusha near a big shopping mall. This shop sold local made souvenirs.

Entrepreneurial motivation

When G. was divorced and she had nothing to do and no income. She had a friend in the souvenir business, who helped her to learn to run such a business herself. G. wanted to do something for herself to earn money. With this money she wanted to build a school to help

children that needed financial help to go to school. When she started this shop on the previous location she was making a lot of money with which she built a school.

Perception and self-assessment of business performance

For G. business performance is **income** and **profit**. As she explains that to her only financial measures matter, because that is the income she earns for herself and also the money that she can invest into the school.

Goals and aspirations

Consequently, her goals is to make more profit in order to increase her income and if there is a surplus she can give this money to children that cannot pay for school or books.

Conclusion

While business performance for G. is strictly financial of nature, the motivation is based on her own income and supporting the community through funding a school and providing financial support in tuition.

5.3 Safari 1

C. is between 26-30 years old and is the only respondent with a parent who grew up in a different country than Tanzania. Her dad is from Kenya, and that is where she grew up in her early youth. C. has started the business in 2010 with money she lend from the bank. At the moment she studies an MBA part time. She is single and has no children.

Entrepreneurial motivation

C. always had that thing, that drive to be an entrepreneur. That is why she studies business administration now. She never thought that she would start so soon already.

“(...) But I faced so many challenges at my job that I had to start for myself. I thought I was giving too much and receiving too little. I was living for the company I worked for. I never had a social life, I just had to work. What I got paid for it was very discouraging.”

In spite of this situation she did love to work in the tourism industry, to meet different people from all over the world. But she wanted both a social life and work life. Another motivation for her was that in tourism there is money to be earned without having to struggle so much.

*“What I was doing for my boss, if I can do it for myself I would **earn** more. When I do it for myself, I can earn my years wages in just 2 months....”*

Perception and self-assessment of business performance

Business performance to C. is the **freedom to have a social life and profit**. Now she has the freedom and time to go to school to finish her MBA.

“With a job that wasn’t possible. And also, if I would have a job then I would not have time to talk to you.” But of course, besides a social life I also need money, so profit is also important.

Goals and aspirations

C.’s future goal is better marketing so that I can get **more clients**. She want to work together with a booking agency. Working together with such an agency will make good **money**, because a safari business will receive more clients through an agency.

Conclusion

For C. business performance is the balance in social life and work life, and the freedom to set this balance for herself. Income is also important to her, because she wants to make good money. Starting her own business, she could earn more by spending less time, creating a better personal balance.

5.4 Safari 2

L., the owner (age 20-25) uses an office at Kundayo Apartments as location, which is in the area Kimandolu, Arusha. She has started her business in November 2013. She is single, and has no children. Her highest education is a BSc sociology.

Entrepreneurial motivation

L. was dreaming about working in the tourism industry since she young. She thought that when she would grow up she wanted to work with people. She believed that when she would work in tourism she would meet a lot of people.

“(...) When you meet a lot of people you are going to have a lot of exposure and a greater network. I would not only expand financially, but also mentally.”

While working for a tour-operator she got an offer of one of her clients who was seeking to empower women in Africa. He offered her a loan to start her own tour-operating company. She accepted this offer and officially started in November 2013.

“I never thought I would be independent, like owning a company. It just came up. He saw something in me and had confidence in me. I thought that I could do it. So that is why I started.”

Perception and self-assessment of business performance

L. believes that in tourism, in order to survive, service and the consequential performance comes before money as a business performance measure. Sometimes she even makes a loss in order to give people a good experience and to build a good reputation. She knows what she wants in future and that is to differentiate herself and company with the best service in order to become a stable and profitable company.

“It’s always about the service and the performance and your uniqueness.”

Goals and aspirations

L. wants to provide the best service that is possible, because she believes that she can differentiate herself when she offers a personal service. She wants to build a good reputation.

Conclusion

Business performance for L. is not directly based on profits, but rather on the satisfaction of the customers to create a stable enterprise, which is enforced by the freedom to differentiate from other companies.

5.5 Safari 3

J. started to be an entrepreneur in the tourism industry in 1993. But before that she had been an entrepreneur for a couple of years selling eggs and cakes. Her age is between 46-50. She is married and has two daughters, who now work for her in the business. Her highest education is BSc in business administration. The office is situated in the centre of Arusha.

Entrepreneurial motivation

The first time J. started a business it was not in tourism. Her husband was in Rwanda teaching at university and she was alone for a long time. Because her husband wasn't there, she was going to be thrown out of the house, and so she needed to find a job and she started selling eggs. With the profit she bought more chickens and with the extra eggs she also started to bake cakes which she sold to restaurants and hotels. Later she wanted to start a business in tourism because this was her dream.

“Tourism is in my heart.”

She was also passionate about being an entrepreneur, because she could take care of herself which made her proud.

“I like to be an entrepreneur. This makes me very happy.”

Perception and self-assessment of business performance

In the first place business performance for J. is profit, because that is her income. Also the quality of the service and the satisfaction of the customer is important, because she argues that happy clients could write good reviews, which in turn would lead to more clients. Additionally she mentions that she is satisfied about the business performance, because her business provides for her family.

“I am satisfied, because the family can work in the company. So because I own this company I can provide also work for my children.”

Goals and aspirations

J. finds quality of service very important, because it results in good reviews and consequently more clients. Therefore improving the quality of service is an important goal for the future. Additionally she wants to grow the business in future in terms of selling more safaris, which will be invested in equipment in order to make more business.

Conclusion

Business performance for J. is primarily financial. But the satisfaction of having her own business that generates income, comes from the support for her family while being independent.

5.6 Accommodation 1

G is between 46-50 years old and started her business 11 years ago in 2003. She is single and has no children. The lodge is located in Tengeru, an area which lies around ten kilometers outside of Arusha.

Entrepreneurial motivation

First it started as a dream of G. to have an NGO for the environment. It was her dream because she loves the environment, and she wanted to do something for it. She explained that she also wanted to be known, gain status. Therefore she wanted to do something in the cultural tourism, because then she could promote her own culture and also herself. As a great benefit from cultural tourism, the local community is also directly helped, she explained.

Perception and self-assessment of business performance

She already had a lot of visitors. and can receive around a thousand clients per year for cultural tourism. She measures business performance in terms of **income** and the **number of visitors**, because this indicates to her that the business is able to provide money for the foundation and growth in terms of clients.

Even though there is a small income, she manages to get good margins. This money is invested in the local community, to build schools for instance. Also, she has installed solar power in the local hospitals. This makes her feel very satisfied: helping the community through the Green foundation and Trust.

As she explains there is another performance indicator of herself as an entrepreneur. The local government has been asking her to teach people how to work and start up cultural tourism. She feels very proud that she is now an example as cultural tourism company.

Goals and aspirations

For now G. wants to **continue** with her cultural tourism business and get **more clients**.

Conclusion

G. uses two measures for business performance, being financial by income and non-financial by the number of visitors. Her community is very important to her, in which she invests. This provides her with status in turn.

5.7 Accommodation 2

C. is between 56-60 years old, has no children and is single. She had no education more than secondary school. She started her business three years ago, located at Himo Rd, Arusha.

Entrepreneurial motivation

For C. the primary motivations to start a business was to keep herself occupied, income, meeting new people and being in contact with people socially.

“I was thinking when I retire what am I going to do? So many people in Africa die early when they retire, because of frustrations. (...) So then I thought when I retire I want to do something that I can cope with. I am alone, so I want to have this business to be able to meet people and to talk to people. But also to get food on the table.”

Perception and self-assessment of business performance

As business performance C. firstly mentions the number of clients.

*I think so far I am doing good. But sometimes we don't have a lot of clients, so it's not good. The **number of clients** is important.....”*

Additionally, she looks at the performance of her business with satisfaction, because her business is growing in terms of income and also employees. She finds it important that she can help the employees to develop themselves, by giving training and bringing them around the village. Another important measure is the quality of service which she measures by the reviews on internet.

“Food, accommodation, hot water, and when people arrive, give a glass of juice etcetera. If the clients are happy I am asking to put their reviews on internet. “

When C. measures her business performance in order to find out when it was a good or a bad year, she looks at the number of bookings, the deposits and also the number of clients.

Goals and aspirations

In future C. wants to improve the quality of her service to receive more clients. When she earns more money than she needs herself, she invests it in her own NGO to support other

women to become self-providing and send their children to school. She wants to be a **role model** in her village to support other women.

Conclusion

C. measures business performance through the number of bookings, the deposits and number of clients. She is satisfied when the business is growing financially by income and non-financially by the number of employees. However, her aspiration is to grow to support the community through being a role model.

5.8 Accommodation 3

M.S. is between 40-45 years old and has a degree for teaching. She is single, and has no children. She lives in the area of Tengeru, which is around ten kilometers outside of Arusha on the same plot where the accommodation facilities are. Besides a bed and breakfast there is also the possibility to study Swahili, taught by herself.

Entrepreneurial motivation

As a teacher M. S. was earning very little money. She wanted to own her own business to make more money and to empower herself and her family.

Perception and self-assessment of business performance

Business performance to M. S. is the feeling of satisfaction with what she does and the results of the business. The results of the business are **happy clients, more clients, good quality and profits**. She finds happy clients and an increase of clients important, because that also means that she earns more money. Therefore a good quality of service is also an important business performance measure, because that results in better reviews and customers would then like to come back. Because she also needs money to live, profit is also an important business performance measure to her.

Goals and aspirations

Her future aspiration is to serve the community. She wants to empower the local community by buying local food and “stuff”. She would like to contribute to the advancement of her community.

Conclusion

Business performance to M. S. is the level of satisfaction of the clients, but it should generate enough profit for her to live. Contributing to the local community is where her aspiration lies.

5.9 Accommodation 4

J. is between 50-55 and is living together with her husband. She has two children which both study in the US. She started her first business as a garden architect when she was 27, and has been doing this since. Just five years ago she started the bed and breakfast in their own house, which has plenty of room for even five extra chambers. The B&B is situated at the Njiro road, Arusha.

Entrepreneurial motivation

J. her first motivation to become an entrepreneur is that she wanted earn money to pay for her son's school. At her job that time she didn't earn enough money to do so. Besides this motivation, J. was not satisfied about her job. There had been an incident between her and her British manager for which she later got kicked by another employee and ended up in the hospital. For her that was the final push that made her decide to quit her job and become an entrepreneur.

Perception and self-assessment of business performance

J. believes that more clients will come when she provides good services, good food and working facilities such as hot water. Therefore, she finds these aspects of business performance very important. With the money J. earns she also helps the community as she sees her contribution to community as another business performance indicator.

"Plus I find it good now because I can mean something for community. Also I employ people to help my community."

When she measures business performance, she measures the bookings, deposits and number of clients she had in a year. Also she looks at the reviews to determine whether her business performed well on the quality. Al together J. is happy and satisfied about her business performance.

"I am happy, because I do this on my own, and I enjoy this job."

"I feel satisfied about the business performance because I have no loan from the bank, I have my own things."

Goals and aspirations

For the moment J. is satisfied with the size of her business, because now she can cope to manage it on her own and this way she can keep the quality of the service on a good level. But for the future she would like to see some growth in the number of clients, income, and the quality of service.

"My most important goals with the business are to have some more clients, good service , more money to build another house for myself. Now I sleep in the office."

Conclusion

J. perceives business performance as delivering good services to her customers, but also in contributing to the community. Although her enterprise was founded as a new source of income, it provides her freedom, and her aspiration is to grow financially to fulfil a basic need for housing.

5.10 Accommodation 5

J. is between 50-55 years old. She has one son and is single. She started this business in 2005, which is located in Oldadai—Arumeru, Arusha. Her highest education is secondary school.

Entrepreneurial motivation

J. wanted to employ herself to be busier than she was, to employ other people and also because she wanted to earn money. She and her husband already had a big house and when her children left she wanted to meet new people and have both a work-life combined with a social life and therefore she started a bed and breakfast.

Perception and self-assessment of business performance

J. sees customer satisfaction, number of clients and income to as her business performance. She is happy to do this business because it makes her feel happy to meet new people.

Customer satisfaction is measured by the reviews that she finds on the internet which give an indication whether the business performed well on that subject. The number of clients is important, where she feels satisfied when she receives a regular number of clients. The income is measured by the balance in the books. Growth in profits is important, because then the new investments are earned back and she can pay her employees.

Goals and aspirations

Her goal is to grow the business in size and in facilities. She wants to build cottages on two plots of land that are not built on yet. She wants to build small cottages with beautiful gardens, and not more than 20, because she wants to be close to her customers and work with a personal approach. As extra facility she wants to build a swimming pool.

Conclusion

While J. started her business for self-satisfaction, she takes the performance as customer satisfaction, number of clients and income. Her aspiration is to grow just as far to maintain contact with the customers.

5.11 Summary

The results of the interviews are summarized in Table 5.1.

Table 5.1: Results of the interviews.

§	<u>Entrepreneurial motivation</u>	<u>Perception and self-assessment of business performance</u>	<u>Goals and aspirations</u>
5.1	Contribute to the community, fulfil her passion	Customer satisfaction, growth customers, generate income	Supporting the community, Expand the business
5.2	Source of income and contribute to the community	Income and profit	Increase sales Supporting the community
5.3	Balance between work and social life	Income and the feeling of freedom for a social life	Increase earnings
5.4	Follow a passion and self-satisfaction	Customer satisfaction to generate income	Differentiation and reputation
5.5	Source of income and self-satisfaction	Profit, independence, providing work for family	Larger profits
5.6	Contribute to the community	Income and number of visitors	More clients, continuance
5.7	Means of occupation, income and having social connections	Customer satisfaction, number of bookings, deposits, number of clients, growth income and employees	Supporting the community Being a role model
5.8	Source of income and empowerment	Customer satisfaction, Generating income	Supporting the community
5.9	Source of income for family	Customer satisfaction, growth clients, income and contributing to community	More clients, good service, Good income
5.10	Self-satisfaction	Customer satisfaction, number of clients and income.	Growth, but maintain contact with customers.

Business performance by Tanzanian female entrepreneurs in the tourism industry is mainly regarded as a combination of financial and non-financial measures. Income or profit are perceived as financial indicators. Additionally there are many non-financial indicators of business performance such as customer satisfaction, quality of service, growth of employees or clients etc.

The main motivation for being an entrepreneur and what to achieve in the future, is largely based on the possibility to contribute to the (local) community. The examples of being a role

model for the community and supporting the building of a school including financial assistance for tuition underline this. As the actual contribution is sometimes perceived as being business performance, it is so, because the financial performance is a facilitator for money that can be invested in the community or the business provides jobs and learning for the local community.

Furthermore, the social contact seems to be an important component for satisfaction of the entrepreneurship, being a better work-life balance, contacts with customers or to support one's own family.

Looking at the actual measurement of business performance the female entrepreneurs appear to use mostly quantitative measures. The most popular ones are number of clients, which is popular amongst all three kinds of businesses as well as customer satisfaction which is measured by internet reviews. Additionally most accommodation business owners also measure the number of bookings and deposits. All the female entrepreneurs are consequent in looking at the financials of the business before determining whether they had a good year or a bad year.

6 Conclusion & Discussion

6.1 Conclusion

This paragraph follows the sub-questions, which lead to an answer to the main research question.

The term business performance in literature is one of many terms that all refer to the same broad definition of the success or failure of one or more outcomes of a business. The success could be shown through financial and non-financial measures. On a scale from large companies on one end to micro-sized enterprises on the other, the measures change accordingly from being almost solely financial to more subjective measures. Although business performance is measured financially and non-financially, there is not a clear consensus about a definitive set of measures. Especially non-financial measure show a great variety, from quantitative aspects like number of employees to subjective measures like desire for freedom. In addition, the business performance by women is, according to the literature, dependent on personal motivation, goals and aspirations.

The female entrepreneurs in the tourism industry in Tanzania interviewed for this research show that their main motivation for being an entrepreneur and what they want to achieve in the future, is largely based on the possibility to contribute to the (local) community. The examples of being a role model for the community and supporting the building of a school including financial assistance for tuition underline this.

The female entrepreneurs regard business performance mainly as a combination of financial and non-financial measures, as suggested in the literature. Looking at the actual measurement of business performance the female entrepreneurs appear to use mostly quantitative measures, such as customer satisfaction, quality of service and growth of employees or clients and, for accommodation business owners, the number of bookings and deposits. All the female entrepreneurs are consequent in looking at the financials of the business before determining whether they had a good year or a bad year. But this research reveals that the female entrepreneurs also regard the financial performance is a facilitator for money that can be invested in the community or the business provides jobs and learning for the local community. Furthermore, the social contact seems to be an important component for satisfaction of the entrepreneurship, being a better work-life balance, contacts with customers or to support one's own family.

In sum, to answer the main research question, female entrepreneurs in Tanzania use a combination of financial and non-financial measures to assess their business performance as was suggested in literature. But in addition to existing literature it is important for them to contribute to the local community, to fulfil their social aspirations with the (basic) need for income which are a source of satisfaction and aspiration.

6.2 Discussion

For some interviews a translation was made by a native Swahili-speaking Tanzanian lady. Because the interviewer only spoke English, she had to trust the translator in telling the story exactly as it was told by the female entrepreneur. Even though there was trust that this was the case, it is something that was not possible to control. This could lead to the interpretation and information that is not exactly based on what the female entrepreneur said in the interview, however the translator was very well informed about the questions that needed to be asked and the importance of the questions to the result of the interview. Therefore the possibility of receiving information that was changed by the translator, was reduced to a minimum.

In some literature studies ROA and ROE are used to measure business performance. These are not found under the performance measures that the interviewed female entrepreneurs said to be important to them. This is because these were quite small companies, and the accounting measures/ practices used by the female entrepreneurs do not include the calculation of return on assets or equity.

The social factor could be the result of the cultural aspects of the location. The answers to the perception of business performance could be different in other cultures around the world. Further research could be conducted to compare these finding in the perception with other cultures. Furthermore, the findings of this research could be more validated when a larger sample size is taken or extended to other sectors. Nevertheless, the increasing role of female entrepreneurs in Tanzania and their supporting role for their communities could provide a basis for local economic development at large.

6.3 Limitation

A limitation of purposefully quota sampling (Patton, 1990) must be acknowledged: It may produce a sample that is not representative of the total population of interest, and statistical precision may not be assessed (O'Leary, 2004). Therefore, this study should be placed in the context of the tourism sector in Arusha, Tanzania.

Another limitation of the study is that the results of the interviews are based upon the information that the female entrepreneurs were willing to share with the researcher. Nevertheless, there has no situation occurred in which the researcher had suspicions of a women holding something back on purpose. The language barrier could also have had an influence on this whether the interpretation of questions and words was different between the researcher and the respondent or simply not understood. In most interviews though this was not experienced as being the case, however it can still have happened and should therefore be considered as a limitation.

6.4 Recommendation for future research

The answers to the perception of business performance could be different in other cultures around the world. Further research could be conducted to compare these finding in the perception with other cultures.

Furthermore, the findings of this research could be more validated when a larger sample size is taken or extended to other sectors or even other locations in Tanzania such as Zanzibar and Dar es Salaam as two touristic places.

Because most females perceive business performance as a combination of financial and non-financial measures, future research should consider to use such a combination of performance measures when studying business performance.

As investing in the community has been found to be an aspect of business performance, it would be interesting to address the point from what amount of profit female entrepreneurs start to invest the exceeding profit in the community. In other words when do female entrepreneurs have enough income and from what amount do they invest the exceeding money into the community?

Currently Tanzania is known to be a developing country (www.IMF.org). But there are expectancies that the country will develop into a transition economy the next ten to fifteen years growing towards a middle income country (www.rijksoverheid.nl). If the relation between changing economies and all its aspects could be studied in relation to business performance and the perspectives on business performance Tanzania would be the place to do so.

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