

EMPOWERING WOMEN ENTREPRENEURS: CATALYSTS FOR SMALL AND MEDIUM SCALE ENTERPRISES DEVELOPMENT IN GALLE CITY

S.K.L.J.Ramanayaka

*Sri Lanka Institute of Tourism and Hotel Management (SLITHM), Sri Lanka
lathishar@slithm.edu.lk, lathisha.rama@gmail.com*

Abstract

The study delves into the formidable influence wielded by women entrepreneurs, elucidating their potential to instigate positive transformations in both developed and underdeveloped nations. Emphasizing the critical role of privately-owned enterprises, particularly those of a small and medium scale, the research underscores their significance in propelling economic growth, wealth generation, and ensuring equitable opportunities for all. The city of Galle, a substantial economic hub, stands to benefit significantly from the prowess of skilled women entrepreneurs, who, through their adept management of small businesses, can catalyze multifaceted economic advantages. The imperative lies in understanding how to augment the power, dynamism, and vitality of women entrepreneurs in Galle, channeling their capacities toward the establishment of a sustainable economic paradigm for the city and, by extension, Sri Lanka. The overarching objective of this study is to unravel the multifaceted contributions of women entrepreneurs in Galle toward the establishment of a sustainable triad: economy, social structure, and ecosystem. Employing the method of descriptive qualitative research, the study engaged a cohort of 100 women executives, specifically those positioned in regional business offices within Galle. This inclusive sampling involved both public and private respondents, chosen deliberately for their diversity, with data collection focused on those possessing robust opinions or extensive experiences. Over a comprehensive 10-month duration, a meticulously crafted questionnaire was utilized to gather insights. The study's outcomes illuminate the profound impact that women business owners in Galle City can exert, fostering enduring enhancements across the economic, societal, and environmental domains to catalyze growth. Beyond the immediate, it underscores the recognized role of female entrepreneurs in bolstering Galle's economic landscape by championing sustainable business practices. The study, as a consequence, advocates for prospective research endeavors centered on assisting and quantifying the impact of women entrepreneurs on sustainable development. This advocacy encompasses an emphasis on financial mechanisms tailored

explicitly to support businesses led by women, thereby underlining the necessity for an intensified scholarly exploration of this facet in future research.

Keywords: Enterprises, Establishing, Small and Medium Scale, Sustainable development, Women Entrepreneurs,

1.0 Introduction

The realm of women's entrepreneurship emerges as a dynamic avenue for individual and communal advancement, offering women opportunities for economic development, poverty alleviation, and financial stability. In the context of developing countries, particularly in Sri Lanka's Galle City, the significance of Small and Medium Scale Enterprises (SMEs) is paramount, contributing substantially to industrial growth, employment creation—especially for women—and poverty reduction. Women entrepreneurs play a pivotal role in stimulating job creation and fostering innovative management practices, thereby contributing to overall economic growth and development. Defined by the Bureau of Census and Statistics (2020) as individuals possessing the skills, inspiration, and creativity to initiate and manage their enterprises, women entrepreneurs in Sri Lanka, notably in Galle, are characterized by a desire to contribute meaningfully to society while exhibiting a wealth of ideas, imagination, and passion for their work. The increasing trend of women establishing businesses in Galle underscores the necessity of providing support to these entrepreneurs by dismantling barriers impeding their progress and facilitating the expansion of their enterprises. For women in Galle, entrepreneurship represents a pathway to self-sufficiency, knowledge acquisition, garnering respect, and progression. Currently, many women operate family-owned businesses, with a predominant presence in sectors such as garments, handicrafts, and agriculture. The entrepreneurial endeavors of women extend beyond local boundaries, echoing their global significance in the business landscape. Over the past three decades, there has been a remarkable surge in the number of women venturing into entrepreneurship, evident in the proliferation of businesses, increased revenue generation, and a surge in employment opportunities. This transformative progression underscores the need to comprehensively explore, support, and understand the multifaceted dimensions of women's entrepreneurship in Galle City, contributing to a nuanced understanding of their impact on both the local and global economic landscapes.

The central inquiry of this research lies in illuminating the commendable achievements of female entrepreneurs in Galle, Sri Lanka, underscoring the profound impact of their business values and principles on performance enhancement. The assessment of entrepreneurial performance necessitates a comprehensive evaluation encompassing personal attributes, parental influence, motivational factors, business strategies, social networks, and contextual conditions. These determinants, perceived as influential, are believed to substantially shape entrepreneurial success

and contribute to economic growth. Galle, occupying an expanse of 16.52 square units, stands as a thriving city accommodating diverse economic activities. Women entrepreneurs in this locale engage in various ventures, including crafting, fabric design, knitting, clothing production, fruit and vegetable vending, street food preparation, restaurant ownership, and the management of breakfast-only motels, along with establishments providing relaxation, beauty services, and wellness treatments.

Noteworthy is the gender distribution within the Galle City Council, where women constitute over half (52.02%) of the total population, reflecting a notable demographic presence. Fort Galle, a UNESCO-recognized historical site, stands as a prominent symbol of Galle's colonial history, contributing to its modern identity and serving as a draw for tourism. The city, enriched with diverse attractions, offers ample opportunities for women entrepreneurs to capitalize on its economic development. Consequently, a pivotal objective emerges: to scrutinize the factors influencing the performance of women entrepreneurs in small and medium-sized enterprises (SMEs) within Galle. This examination aims not only to discern the determinants of their success but also to devise strategies for fortifying their entrepreneurial prowess, enhancing enthusiasm, and fostering sustained success in the establishment and operation of SMEs in Galle. The intricate interplay of personal attributes, external influences, and contextual conditions will be unraveled to provide nuanced insights into the dynamics of women entrepreneurship in Galle, contributing to a robust understanding that can inform policy, foster empowerment, and catalyze sustainable economic development. The Purpose of the Study to improve potential employment prospects and success factors for female entrepreneurs in particular.

This research endeavours to elucidate the nuanced impact of individual factors on the business performance of female entrepreneurs in Sri Lanka. The findings of this study serve as a pivotal reference point for scholars and researchers in this domain, providing a robust foundation for subsequent investigations in the field of women's entrepreneurship. The results contribute significantly to the theoretical underpinnings of women's entrepreneurship, fostering the evolution and refinement of existing theories in this realm. Researchers with a keen interest in women's entrepreneurship and its intricacies will derive substantial benefit from the insights garnered through this study, which not only enrich the academic discourse but also offer practical implications for real-world applications.

Moreover, the study's outcomes carry profound relevance for governmental and non-governmental policymakers engaged in entrepreneurship development and women's issues. The insights gleaned from this research offer crucial information that can inform the design and implementation of targeted women's entrepreneurship training and development programs. Policymakers can utilize this study to formulate evidence-based strategies that address the specific challenges faced by female entrepreneurs, thereby contributing to the creation of more effective and tailored initiatives. In essence, the significance of this study extends beyond the academic realm, permeating into the practical spheres of policy formulation and program development, ultimately fostering a more

supportive environment for the empowerment and success of women entrepreneurs. Several constraints were acknowledged in gauging the success of female entrepreneurs in Galle City. Notably, the study contended with a restricted sample size, encompassing solely 300 female entrepreneurs, from whom demographic information was exclusively solicited.

2.0 Literature Review

The exploration of a theoretical framework concerning female entrepreneurship, as posited by Birley & Harris (1988), delves into the multifaceted variables shaping initial entrepreneurial preferences. Their model delineates three primary groups: antecedent influences encapsulating elements within an entrepreneur's narrative that impact their aspirations, perceptions, competencies, and knowledge, comprising genetic, biological, educational, and prior work experience influences.

Moreover, Theo et al. (2007) contribute insights into factors underpinning the success of female entrepreneurs, encompassing personal characteristics, parental influence, business motives and goals, strategic orientation, and network dynamics. Concurrently, Learner and Hisrich (1997) scrutinize contextual factors, social learning theory, networking dynamics, human capital, and their collective impact on the success trajectory of female entrepreneurs within Israel.

Ahamed (2011) emphasizes the instrumental role of pioneering activities in driving success for female entrepreneurs, a sentiment echoed by Lerner et al. (1997) and Dharmaratne (2012), who highlight the pivotal significance of access to resources in facilitating the development of women entrepreneurs.

Conversely, a prevalent recognition emerges regarding women's preference for self-employment, juxtaposed against the challenges faced by female entrepreneurs in Sri Lanka, including organizational strategy constraints, administrative hurdles, limited funding opportunities, and dearth of pertinent information and testing for strategically and practical implementations (Attygalle et al., 2014).

Cabrera & Mauricio (2017) illuminate the complexity in gauging female entrepreneurial success, offering five measures for assessment: business expansion, employment generation, annual revenue, experiential growth, and motivation-based success definitions. They underscore female entrepreneurs as pivotal drivers of economic expansion, especially within developing economies. Within the unindustrialized context of Sri Lanka, the criticality of enhancing women's entrepreneurial capacities resonates as fundamental on a global scale.

3.0 Methodology

This study adopts a deductive research method grounded in the philosophy of positivism. The research design employs a quantitative approach to investigate the strategies for empowering,

energizing, and revitalizing female entrepreneurs in establishing sustainable Small and Medium Enterprises (SMEs) in Galle City. The survey method serves as the primary research strategy, facilitated by a self-designed questionnaire. Prior to the main survey, a pre-survey was conducted to refine the final questionnaire and validate the relevance of the study variables. The study is structured within a cross-sectional time horizon. The research is framed within the context of the Sustainable Development Goals (SDGs), with a specific focus on introducing SME businesses to women entrepreneurs in the city of Galle.

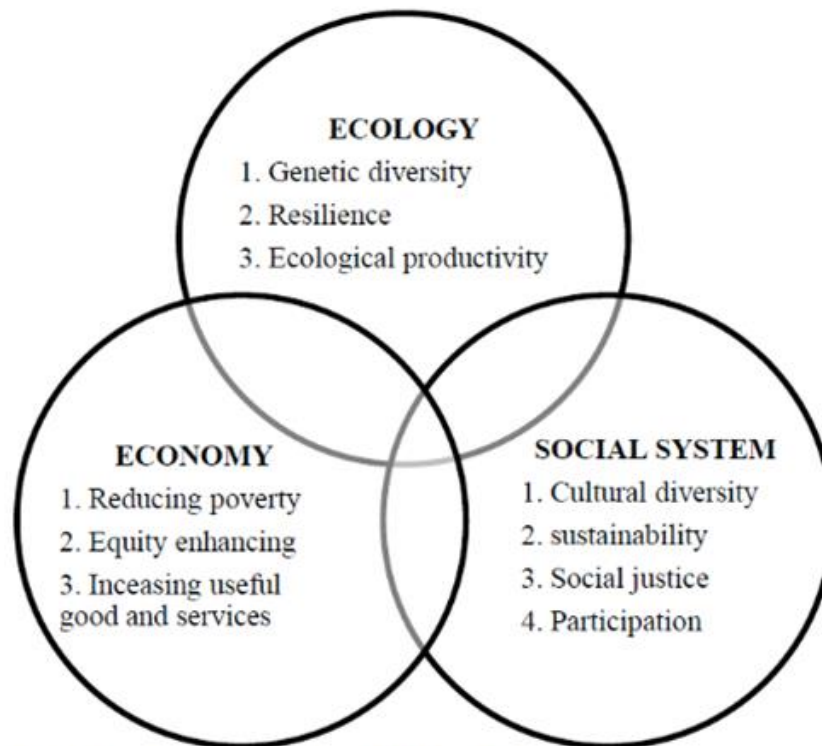


Figure 1 Objectives of sustainable development

3.1 Study Population

The study encompasses a population size of 300 female entrepreneurs situated in the city of Galle. Employing a stratified sampling technique, the researcher meticulously selected sample records for comprehensive analysis.

3.2 Data Analysis Method

Data collection was executed through the utilization of a questionnaire method, featuring a combination of closed and open-ended questions. The inclusion of Likert scale questions aimed to capture respondents' diverse backgrounds and perspectives. The authors crafted their

questionnaires by drawing upon previous research questions as references. The distribution of the questionnaire link was facilitated through various channels, including email, text, social media platforms, and print. For the primary and secondary objective analyses, the researchers employed the SPSS software. In the initial phase of the study, the reliability and validity of the research were assessed. Descriptive statistics were subsequently applied to identify the factors influencing the success of female entrepreneurs in the city of Galle.

3.3 Conceptual Framework

The following conceptual framework was utilized in this research study.

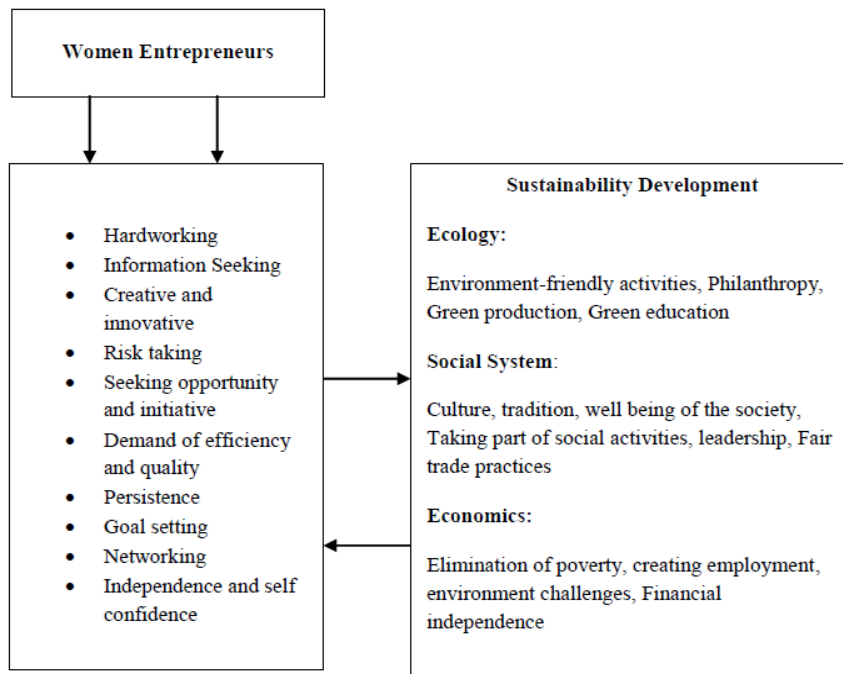


Figure 2: Conceptual Framework

4.0 Findings

Table 1 below presents demographic information received from respondents.

Characteristic	Frequency	Percentage
1. Age		
18 - 25	160	53.3
26 - 35	65	26.7

36 - 45	50	16.7
46 - 55	22	7.3
56 +	3	1
Total	300	100
2.Business Starting Capital(in LKR)		
10,000 or below	150	50
10,000 -50000	80	26.7
50,000-100,000	40	13.3
100,000-1000,000	20	6.7
1000,000 or above	10	3.3
Total	300	100
3. How long have you been in business?		
Pre-launch	12	4
Less than 12 months	50	16.7
1-3 years	130	43.3
4-5 years	40	13.3
8-10 years	20	6.7
More than 10 years	16	5.3
Other	32	10.7
Total	300	100
4. Level of Education		
Secondary School Certificate	100	33.3
Graduate	140	46.7
Masters or Higher	40	13.3
Non of the above	20	6.7
Total	300	100
5.Marital Status		
Married	65	21.7
Single Never Married	162	54
Divorced	3	1
Divorced & Re-Married	70	23.3
Total	300	100
6. No. of Children		
Yes-all under 5 years old	150	50
Yes-all under 18 years old	80	26.7
No	60	20
Other	10	3.3
Total	300	100
7. Passionate about Work		

Yes	266	88.7
No	10	3.3
May be	24	8
Total	300	100
8. Place Staying		
Galle City	256	85.3
Outside of Galle City	44	14.66
Total	300	100
9. Type of Business Associate		
Small Scale Business	190	63.3
Small & Medium Scale Business	90	30
Large Scale Business	20	6.7
Total	300	100

Table 1- Profile of Respondents

The findings of this study, based on the demographic information gathered from 300 female business owners participating in the aforementioned survey, reveal significant patterns. Predominantly, those initiating businesses within the initial three years of operation, constituting 300 responses, are characterized as single, unmarried, aged between 18-25, possess a graduate education, commenced their business with a capital of less than \$10,000, operate on a relatively small scale, and are situated in the city of Galle.

The study underscores a growing emphasis on the development of female entrepreneurs, highlighting their pivotal role in contributing to the country's economic growth through independent ventures. The data strongly indicates that women, particularly those residing in Galle, are actively engaging in entrepreneurial activities, and potentially serving as a catalyst for poverty alleviation and the generation of job opportunities. The evolving role of women as entrepreneurs is noteworthy, as they exhibit increased awareness and educational attainment. However, the study identifies another obstacle hindering their efforts to propel the economy toward sustainable development, marking a crucial juncture in the ongoing discourse on women's entrepreneurship in Galle.

5.0 Data Analysis

The data from the research titled 'Empowering Women Entrepreneurs: Catalysts for Small and Medium Scale Enterprises Development in Galle City' presents a nuanced breakdown of various characteristics pertaining to women entrepreneurs, offering valuable insights into their roles in the

development of small and medium-scale enterprises (SMEs) in Galle City. Examining the duration of their businesses, a diverse range is observed, with a significant proportion having been in operation for 1-3 years (43.3%), while others are either in their pre-launch phase (4%) or have a more established presence of 8-10 years (6.7%). The marital status distribution reveals a majority of single, never-married entrepreneurs (54%), underscoring the independence and commitment of this demographic to their business ventures. Notably, a substantial number of respondents have children under 5 years old (50%), illustrating the unique challenges and responsibilities faced by mothers in entrepreneurship. The age distribution showcases a predominant presence of entrepreneurs in the 18-25 age group (53.3%), reflecting the youthful dynamism within this sector. Furthermore, the educational profile demonstrates a well-educated cohort, with a notable percentage of graduates (46.7%). Financially, a considerable proportion of entrepreneurs commenced their businesses with starting capital ranging from 10,000 or below (50%), emphasizing the resourcefulness and resilience required in the initial stages of entrepreneurship. The majority of respondents are engaged in small-scale businesses (63.3%), contributing to the SME landscape. Geographically, a significant number of entrepreneurs operate within Galle City (85.3%), highlighting the local impact of their enterprises. Finally, the overwhelming passion for work among the respondents (88.7%) underscores the dedication and enthusiasm that drive women entrepreneurs in Galle City. Collectively, these characteristics provide a holistic understanding of the demographic, experiential, and contextual dimensions of women entrepreneurs in Galle City, offering valuable implications for empowering and supporting this vital sector.

6.0 Conclusions & Recommendations

6.1 Conclusion

The Sri Lankan businesswoman is recognized as a proactive and skilled individual, demonstrating the drive to establish and lead her own business, consistently pursuing noteworthy achievements. Particularly in the initial phases of small and medium-sized enterprise (SME) establishment, female entrepreneurs navigate a complex decision-making landscape, meticulously weighing various factors to comprehend potential impacts comprehensively. The pivotal role played by businesswomen in a nation's economic development is underscored, with their intentions encompassing poverty alleviation, employment support, financial independence, and the utilization of innate talents and abilities. Uncontrollable variables such as cultural norms, traditions, and broader economic and political dynamics significantly influence the trajectory of small and medium enterprises run by female entrepreneurs. Controllable variables, including a philanthropic approach and eco-friendly practices, further contribute to the multifaceted landscape of women-led businesses.

In the city of Galle, a significant number of women predominantly shoulder household responsibilities. The choices women make regarding family commitments and financial dependence on men bear substantial implications for the broader economy. Encouraging and

persuading women in Galle to participate actively in the workforce emerges as a crucial component for financial advancement and gender empowerment. Women entrepreneurs, in their pursuit of establishing independent businesses, actively seek viable opportunities where they can contribute meaningfully by producing goods and services. It is noteworthy that many of the goods and services integral to daily life are provided by these enterprising businesswomen, emphasizing their substantial impact on both the local and national economic landscape.

6.2 Recommendations

Existing small and medium enterprises (SMEs) and nascent startups led by women entrepreneurs in the city of Galle are urged to pursue their business objectives with a focus on environmental sustainability, social responsibility, and economic mindfulness. Emphasizing practices that are environmentally friendly, socially responsible, and economically conscientious, such as engaging in fair trade with underprivileged communities, fostering the development of skills and capacities, ensuring equitable remuneration, advocating for fair treatment of all employees, and promoting environmentally sustainable business practices, emerges as a central target for supporting women entrepreneurs. The implementation of these activities is deemed crucial for the enduring development of the city of Galle.

Women entrepreneurs in Galle require heightened attention from relevant government agencies, prompting the need for organized seminars, awareness programs, and the introduction of specialized loan programs with relatively low-interest rates to bolster and establish small and medium enterprises. It is imperative for the Sri Lankan government to deliberate on strategies for empowering women in SMEs, encompassing efforts to enhance their capacity as effective and innovative entrepreneurs and acknowledging their substantial contributions to the economic landscape of Galle City.

6.3 Contribution of the Study

This research offers valuable insights and support for female entrepreneurs in Galle City, Sri Lanka, aiming to address the challenges they encounter and provide assistance. The findings serve as a resource for experts and individuals engaged in supporting women initiating businesses, and fostering the growth of talented and authentic female entrepreneurs. Additionally, the exploration of the interrelationships among various success factors contributes to a nuanced understanding that can inform more intricate models in future studies. The research holds educational value for teachers, government officials, and aspiring entrepreneurs, particularly those interested in championing women in business.

The study also identifies avenues for future research, suggesting that the factors uncovered can serve as the foundation for constructing a model detailing the progression of female entrepreneurs within the studied area. Furthermore, the recommendation to explore the qualitative aspects behind

the success of female entrepreneurs underscores the potential for deeper investigation into the reasons behind their achievements and the significance of identified factors. Ultimately, the study advocates for increased attention from policymakers and the Sri Lankan government to support women initiating businesses and facilitating their acquisition of new skills.

References:

1. Ahamed, S. Z. (2011). Evidence of the characteristics of women entrepreneurs in the Kingdom of Saudi Arabia: An empirical investigation. *International Journal of Gender and Entrepreneurship*, 3(2), 123–143. <https://doi.org/10.1108/17566261111140206>
2. Attygalle, K., Hirimuthugodage, D., Madurawala, S., Senaratne, A., Wijesinha, A., & Edirisinge, C. (n.d.). *Female Entrepreneurship and the Role of Business Development Services in Promoting Small and Medium Women Entrepreneurship in Sri Lanka*. 55.
3. Birley, S., Harris, P., & Harris, P. (1988). *Female Entrepreneurs – are they Really any different?* Journal of Small Business Management Cranfield School of Management Cranfield Institute of Technology Cranfield Bedford MK43 OAL United Kingdom.
4. Brush, C.G., Carter, N.M., Gatewood, E., Greene, P.G. and Hart, M.M. (2005), 'The Diana International Project: Research on Growth-Oriented Women Entrepreneurs and their Businesses', Insight Report, ESBRI, Stockholm, Sweden.
5. Cabrera, E., & Mauricio, D. (2017). Factors affecting the success of women's entrepreneurship: A review of the Literature. *International Journal of Gender and Entrepreneurship*, 9, 31–65. <https://doi.org/10.1108/IJGE-01-2016-0001>
6. Department of Census and Statistics. (2020). Department of Census and Statistics. https://r.search.yahoo.com/_ylt=Awr99VUt8zJj21AGPDhXNyoA;_ylu=Y29sbwNncTEEEcG9zAzEEdnRpZAMEc2VjA3Ny/RV=2/RE=1664312238/RO=10/RU=http%3a%2f%2fwww.statistics.gov.lk%2f/RK=2/RS=1jeYWPr_q2QHGF80UkK8PCEY_j8
7. Dharmaratne, K. L. B. G. (2012). Impact of individual factors on the business performance of women entrepreneurs in Sri Lanka. *Sabaragamuwa University Journal*, 11(1), 139–165.
8. Girma, G. (2015). *Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises in Gulele Sub-City, Addis Ababa, (May)*.
9. Learner, M., Brush, C., & Hisrich, R. (1997). Israel Women Entrepreneur: An Examination of factors affecting Performance. *Journal of Business, Venturing*, 12(4), 122-129, 315–337. [https://doi.org/10.1016/S0883-9026\(96\)00061-4](https://doi.org/10.1016/S0883-9026(96)00061-4)
10. Madurawala, S., Hirimuthugodage, D., & Attygalle, A. (2014). *Female Entrepreneurship and the Role of Business Development Services in Promoting Small and Medium Women Entrepreneurship in Sri Lanka*
11. Teoh, W.M.Y. and Chong, S.C. (2007). Theorizing a framework of factors influencing the performance of women entrepreneurs in Malaysia, *Journal of Asia Entrepreneurship and Sustainability*, Vol. 3 No. 2, pp. 1-18