Work-Family Balance and Marketing Capabilities as Determinants of Chinese Women Entrepreneurs' Firm Performance

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Abstract:

The authors examine how work-family balance and marketing capabilities are related to Chinese women entrepreneurs' firm performance. Drawing on the family embeddedness perspective, findings show that both factors are positively related to firm performance. Public policy recommendations, implications, and suggestions for future research are discussed.

Keywords: China | firm performance | marketing capabilities | women's entrepreneurship | work-family balance

Article:

Introduction

Despite the increasing number of studies that have been undertaken on women entrepreneurship, there has been little research on performance of women-owned businesses, particularly in the context of emerging economies (Bardasi, Sabarwal, & Terrell, 2011; Lerner, Brush, & Hisrich, 1997). There are a few exceptions (Aterido & Hallward-Driemeier, 2011; Gutiérrez, del Mar Fuentes, & Ariza, 2014; Kimosop, Korir, & White, 2016; Prasad, Naidu, Murthy, Winkel, & Ehrhardt, 2013; Ramadani, 2015).

Important drivers of women’s entrepreneurial performance are both subjective perceptions and objective factors (Arenius & Minniti, 2005; Koellinger, Minniti, & Schade, 2007; Krueger & Brazeal, 1994; Noguera, Alvarez, & Urbano, 2013; Pathak, Goltz, & Buche, 2013; van der Zwan, Verheul, & Thurik, 2012). For the purposes of this study, we selected one subjective concept (perception of work-family balance) and one objective factor (marketing capabilities), both within the context of women’s entrepreneurship in China, the largest emerging economy in the world (Zhang, Knight, & Tansuhaj, 2014). The work-family balance dimension is frequently listed as one of the most important factors affecting performance of businesses owned and managed by women entrepreneurs, particularly in emerging economies (Kim & Ling, 2001; Loscocco & Bird, 2012; Ramadani, 2015; Ramadani, Gërguri, Dana, & Tašaminova, 2013; Rehman & Roomi, 2012; Shelton, 2006). Similarly, marketing capabilities are listed among the critical determinants of firm performance (Bianchi, 2011; Farley, Hoenig, Lehmann, & Nguyen, 2008; Kimosop et al., 2016).
The topic of this study is important for three reasons. First, it increases our understanding of the issues that are pertinent to women entrepreneurship (Bruin, Brush, & Welter, 2007; Gutiérrez et al., 2014). Hughes, Jennings, Brush, Carter, and Welter (2012), among others, call for more studies on female entrepreneurs and their endeavors.

Second, the entrepreneurial environment has been underresearched in the Chinese context (van der Zwan et al., 2012). Most of the research on entrepreneurship in emerging economies has concentrated on Central and Eastern Europe, and the former Soviet Union’s republics and satellite countries (see Ramadani et al., 2013). China’s cultural values and current stage of transition are distinct (Allen, Elam, Langowitz, & Dean, 2008; Baughn, Chua, & Neupert, 2006; Chow & Fung, 1996; Yang & Li, 2008). Therefore, models that have been developed for transitioning economies may not be relevant in the Chinese context (van der Zwan et al., 2012; Zhao, 2014). China’s model is unusual because its transition from a centrally planned economy to a market-driven economy continues to be organized and supervised by governmental institutions (Child & Tse, 2001). The drivers of entrepreneurship in China are yet to be well understood (Yueh, 2009). China’s reforms, introduced in 1978, are comparatively successful among transition and developing economies (Berik, Dong, & Summerfield, 2007). However, China’s transformation has far-reaching gender-differentiated implications, where the resulting benefits of the movement from an economy closed to foreign investment to an open and global one are uneven for men and women, favoring men (Berik et al., 2007). Hughes et al. (2012) name China as one of the most important countries for future research on women’s entrepreneurship. This is because of China’s size, rising economic influence, and rich history and culture. Indeed, due to its industrial and economic power, China is described as the “mother” of emerging economies (Hilt, 2006; Shah, 2012). Pistrui, Huang, Oksoy, Jing, and Welsch (2001) conclude that Chinese businesses led by women are unique and worthy of more study as they are microcosms within themselves. These recommendations warrant more studies concerning the drivers of entrepreneurial performance in China, particularly among women entrepreneurs. The current study is an attempt in this direction.

Third, studies have examined macro- and mesolevel factors that impact women entrepreneurship, but they have not focused on personal-level factors, and do not consider specific, gender-related contexts. This study begins to fill this gap. The importance of the context in entrepreneurship studies has been highlighted in research (e.g., Hughes et al., 2012; Welter, 2011; Zahra, 2007). Context in women entrepreneurship has many facets, not only typical socio-cultural dimensions (e.g., work-family balance, family support, a woman entrepreneur’s general well-being), but also less examined facets, such as religion (Anggadwita, Mulyaningsih, Ramadani, & Arwiyah, 2015) or social perceptions (Anggadwita & Dhewanto, 2016). Noguera et al. (2013) draw attention to the influence of sociocultural factors in entrepreneurship research, while Cetindamar, Gupta, Karadeniz, and Egrican (2012) and Gray (2001) suggest a greater focus on developing countries. Anggadwita, Luturlean, Ramadani, and Ratten (2017) found three of the most important socio-cultural environment factors affecting women entrepreneurship in the emerging economy of Indonesia as the presence of tolerance in the country’s cultural diversity, cooperation, and cultural kinship. Ramadani and Hoy (2015) identify how context and uniqueness matters for family businesses, an important consideration for women-owned businesses in China (see Hoy and Laffranchini (2014) for a summary of seminal family business contributions).

We draw upon on the family embeddedness perspective (Aldrich & Cliff, 2003) to examine the relationships between the two variables of interest and firm performance. Our main
findings indicate that the level of work-family balance and marketing capabilities are both highly relevant factors, positively related to the performance of women-owned firms in China.

We structure our article as follows. First, we describe the research context of the emerging economy of China. Then, we present the rationale for considering the work-family balance and marketing capabilities as important factors related to firm performance. Next, we propose the hypotheses and describe the methods and results. Lastly, we present discussion and conclusions, including suggestions for future research.

The Chinese context

China has 29 million women entrepreneurs, a quarter of all entrepreneurs in China (Wong, 2012). In China, 85% of women entrepreneurs and business owners employ workers and are not solely self-employed (Kelley, Brush, Greene, & Litovsky, 2012). This is particularly important in transitioning economies, as women more frequently employ other women, reducing the effect of discrimination in the labor market (Welter, Smallbone, Aculai, Isakova, & Schakirova, 2003).

The private sector is taking a larger and more important role in China’s growth due to a transition to a market economy through select state-owned enterprises being privatized in 1978 (Cao, Qian, & Weingast, 1999; Bai, Li, Li, & Wang, 2000; Bai, Lu, & Tao, 2006). Private enterprises were not formally permitted to exist until 1988, a full 10 years after China implemented its economic reforms (Lu & Tao, 2007). Family businesses disappeared in China after 1956 when the centrally planned economy emerged, but were reborn after 1978 (Dana, 1999). Chinese entrepreneurs are known to look for alternative methods of support and many times these come from family ties (Poutziouris & Chittenden, 1996). There has been sparse research on what drives entrepreneurship in China, although there have been some studies examining urban versus rural self-employment (Mohapatra, Rozelle, & Goodhue, 2007; Wu, 2002; Zhang, Zhang, Rozelle, & Boucher, 2006), a comprehensive cross-country study of entrepreneurs (Djankov, Qian, Roland, & Zhuravskaya, 2005), an examination of the rural transformation of women moving away from agricultural work (Gallin, 1984), as well as in-depth descriptions of training and development for women entrepreneurs in rural areas (Kao & Chiang, 2000).

Economic reforms in China have had the positive effect of improving the overall employment capabilities of households by leading to higher per capita incomes and higher consumption of goods. However, the economic restructuring has resulted in some negative effects on women. This includes discrimination in hiring and layoffs as firms try to reduce costs; urban women being the first to be unemployed and often pushed into the traditional role of housewife; and resurfaced traditional attitudes towards women as inferior that exclude them from male networks and power structures, leaving them at lower-level positions (Korabik, 1994; Tan, 2008). The light industrial jobs and service positions that were occupied largely by women during communism are now going to men (Tan, 2008). Overall, women have had to bear more of the costs of adjustment to the economy (Summerfield, 1994).

Since the transition to a market economy, institutional barriers to launching and growing a business in China persist. These include lack of access to credit, lack of access to supply networks, and complex regulations (Yueh, 2009). The transitional market has led to constant economic and regulatory reforms combined with immature market conditions that have created uncertainty (Wang, Li, Zheng, & Holloway, 2009). However, China has progressed since 2005 by making regulations more favorable for local businesses, implementing policy changes across
nine categories of business regulations. These include a new company law (2005), a new credit registry law (2006, 2007), and a bankruptcy law for private enterprises (2007). Due to these changes, China now ranks as 91 out of 183 in the rankings on ease of doing business globally (World Bank, 2011).

In an examination of data from a 2000 national urban household survey where 359 individuals reported being self-employed, Yueh (2009) found that entrepreneurial tendencies are crucial when women face unemployment, especially for mothers in skilled occupations. Personal traits were not a significant negative determinant of entrepreneurship, while having a large social network increased the probability for women to become entrepreneurs (Yueh, 2009). Yu (2010) found that women entrepreneurs have smaller families and work longer hours in business than their male counterparts. Chinese women-owned firms are significantly smaller in terms of the number of employees, revenue, and profit, and this may be a result, in part, of juggling family and business responsibilities. Women make decisions more collaboratively with their managers than their male counterparts (Yu, 2010). The author also found a lack of heterogeneity in women’s social networks, which may lower their access to financing and expertise, and affect their survival rates (Yu, 2010). This, in fact, may be due to their family responsibilities and time pressures, combined with a cultural lack of support for women entrepreneurs.

The Chinese have had a long history of support for family-based businesses, despite the contradiction with socialist ideals not fitting with private enterprises (Lee & Peterson, 2000). The Chinese are known around the world for their work ethic, and when combined with their collectivist behaviors, successful family businesses are a natural outcome (Tan, 2008). Chinese educational systems are embracing entrepreneurship education. This is predicted to have a positive effect on family businesses, both in the number of startups and the growth of existing family businesses, including women-owned businesses.

**Theoretical background and hypotheses**

**Work-family balance and firm performance**

Given the importance of context (Hughes et al., 2012; Welter, 2011; Zahra, 2007), we draw upon the family embeddedness perspective (Aldrich & Cliff, 2003), which posits that families and businesses are intertwined bodies and that family dynamics impinge on entrepreneurial processes. Women’s entrepreneurial activities are strongly immersed in family systems (Belwal, Belwal, & Al Saidi, 2014; Brush, DeBruin, & Welter, 2009; Cetindamar et al., 2012; Forson, 2013; Jennings & Brush, 2013; Saridakis, Marlow, & Storey, 2014). Small businesses across various countries tend to exhibit family involvement through providing support. This support is tangible (i.e., financial, organizational) or intangible (i.e., moral, emotional) (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Eddleston & Powell, 2012). Both categories of family support are related to socio-emotional wealth (Cruz, Justo, & De Castro, 2012; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007).

Social capital derived from a woman’s family capital can be especially important in developing countries, such as China (Cetindamar et al., 2012; Jennings & Brush, 2013; Yetim, 2008). Therefore, within the theoretical framework of family embeddedness, we expect that the work-family interface would play an important role in Chinese women entrepreneurs’ venturing. Work-family balance remains a central issue despite major financial and economic crises that have recently impacted the global economy (O’Brien, 2013). A vast body of research exists on
various problems that women entrepreneurs face in starting and growing successful ventures. Work-family conflict is one of them, as it is often a hindrance to successful female entrepreneurship. Women entrepreneurs frequently recognize their businesses as endeavors entwined with their family responsibilities and relationships (Jennings & Brush, 2013). Women entrepreneurs frequently find it difficult to establish a balance between work and family. The solutions employed by women in handling their workfamily balance are directly connected to the effect of the family (Batsakis, 2014; Carter, Swaura, Ram, Trehan, & Jones, 2015; Jayawarna, Jones, Lam, & Phua, 2014; Jayawarna, Jones, & Macpherson, 2014; Pathak et al., 2013; Powell & Eddleston, 2013; Saridakis et al., 2014; Sullivan & Meek, 2012; Verheul, van Steel, & Thurik, 2006). For example, women are viewed as having a greater responsibility for childcare activities than men (Sullivan & Meek, 2012). It has also been found that being entrepreneurs negatively affects women’s roles in family life (Ufuk & Ozgen, 2001). Family duties are stated as some of the most important factors affecting women entrepreneurs’ business activities, particularly in the context of developing countries (Hahn & Nayir, 2013; Halkias, Nwajiuba, Harkiolakis, & Caracatsanis, 2011); Itani, Sidani, & Baalbaki, 2011; Jennings & Brush, 2013; Jennings & McDougald, 2007; Kirkwood & Tootell, 2008; Mathew, 2010; McGowan, Redeker, Cooper, & Greenan, 2012; Ramadani, 2015). Ramadani et al. (2013) found that the biggest problem that women entrepreneurs in Macedonia face is the difficulty in establishing balance between family and work, identified by 57.5% of those surveyed. Most women entrepreneurs must maintain a dual presence at home and at work. Domestic responsibilities encumber women in ways that lower their firm performance (Forson, 2013; Rehman & Roomi, 2012). Work-family conflict impedes firm performance by affecting the well-being of the entrepreneur (Shelton, 2006), influencing a woman’s satisfaction with her job, marriage, and life (Kim & Ling, 2001). Conversely, Collins-Dodd, Gordon, and Smart (2004) found that women business owners who achieve workfamily balance experience more positive financial outcomes than men (see Jennings and Brush (2013) for a complete discussion). The significance of family support for the emotional well-being of entrepreneurs has been well-studied in the literature (Hoang & Antoncic, 2003; Liao & Welsch, 2005; Prasad et al., 2013; Sullivan & Meek, 2012). Support from the family is a crucial prerequisite for business success (Akehurst, Simarro, & Mas-Tur, 2012; Shelton, 2006; Singh, Reynolds, & Muhammad, 2001; Collins-Dodd, Gordon, & Smart, 2004; Jennings & Brush, 2013). Family moral support may be considered part of family social capital, which is a special type of capital that is inherent in family relationships (Cetindamar et al., 2012; Davidsson & Honig, 2003; Hormiga, Batista-Canino, & Sanchez-Medina, 2011; Mitra, 2002; Özcan, 2011; Parasuraman, Purohit, & Godshalk, 1996; Prasad et al., 2013). Family members’ moral/emotional support may be carried through as an encouragement of the woman’s career choice to be an entrepreneur or psychological help in dealing with business problems (Eddleston & Powell, 2012). Family moral support gives a woman entrepreneur confidence that she can manage her family-work responsibilities, thereby increasing the chances of business growth.

Habbershon, Williams, and MacMillan (2003) find that businesses and individual family members interact to generate idiosyncratic precursors to firm performance. What makes family relations more multifaceted, and thus crucial to firm performance, are the shifting logic and perceptions among family members (Cetindamar et al., 2012; Sharma, 2008; Steier, 2003).

In summary, research suggests that achieving the work-family balance by women entrepreneurs is positively related to firm performance. Following this reasoning, we hypothesize:
H1: For Chinese women entrepreneurs, achieving work-family balance will be positively related to firm performance.

Marketing capabilities and firm performance

Emerging economy firms use market expansion, both domestically and internationally, as a springboard to acquire assets needed to compete more effectively (Bianchi, 2011). This is particularly true in the case of women’s marketing resources, as they have been found to be positively related to firm performance (Sullivan & Meek, 2012). Ability to manage marketing activities has been mentioned as one of the factors that drive the success of women entrepreneurs in Albania (Ramadani, 2015). Conversely, marketing problems have been mentioned as one of the obstacles impeding performance of women entrepreneurs in the developing economy of Turkey (Hisrich & Ozturk, 1999). Marketing capabilities have been identified as one of the dimensions of strategic capabilities of a firm (Desarbo, Di Benedetto, Song, & Sinha, 2005). They include skills such as segmenting and targeting markets, advertising, pricing, and integrating marketing practices (Song, Nason, & Di Benedetto, 2008). Marketing capabilities provide superior market-sensing, customer-linking, and channel-bonding capabilities and, consequently, are crucial to success in international markets (Zhang, Tansuhaj, & McCullough, 2009). Shi and Dana (2013) found that the socialization patterns of second-generation, small to medium Chinese family businesses’ owner-managers have a significant effect on the entrepreneurship processes in the business, which reflects the relationship between market orientation and entrepreneurship. Kimosop et al. (2016) found that marketing capabilities have a significant and positive effect on the performance of firms managed by women entrepreneurs in the emerging economy of Kenya. They suggest that, for women to improve their firms’ performance, they must build on marketing capabilities. Therefore, we hypothesize:

H2: For Chinese women entrepreneurs, the level of marketing capabilities will be positively related to firm performance.

Methodology

Sample

A self-administered questionnaire adapted from Hisrich, Bowser, and Smarsh (2006) was utilized. The 27 questions were translated into Chinese using the back-translation procedure by Earley (1987) and three questions regarding family business were added. The back-translation procedure ensures consistency with the original and cross-cultural equivalence of measures (Suh, Bae, & Kundu, 2007). Data collection took place in 2012 using personal contact and online surveys with business organizations throughout China. One hundred and thirteen women completed the survey out of 115 who were approached by the researchers (an effective response rate of 98%). Table 1 shows the profile of the respondents.
Table 1. Chinese women entrepreneurs: Characteristics of the sample (N = 113).

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Sample N</th>
<th>Sample %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>24</td>
<td>21.2</td>
</tr>
<tr>
<td>Married</td>
<td>80</td>
<td>70.8</td>
</tr>
<tr>
<td>Widowed</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>Divorced</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>Separated</td>
<td>1</td>
<td>0.9</td>
</tr>
<tr>
<td>Missing data</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Finishing highest education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>High school</td>
<td>22</td>
<td>19.5</td>
</tr>
<tr>
<td>Diploma (2-year degree)</td>
<td>44</td>
<td>38.9</td>
</tr>
<tr>
<td>Institution</td>
<td>11</td>
<td>9.7</td>
</tr>
<tr>
<td>(technical/trade)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A bachelor's degree</td>
<td>23</td>
<td>20.4</td>
</tr>
<tr>
<td>A master's degree</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>A doctorate's degree</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>Missing data</td>
<td>7</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Entrepreneur’s age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 20</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>[20–29]</td>
<td>30</td>
<td>26.5</td>
</tr>
<tr>
<td>[40–49]</td>
<td>27</td>
<td>23.9</td>
</tr>
<tr>
<td>[50–59]</td>
<td>18</td>
<td>15.9</td>
</tr>
<tr>
<td>60 or more</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Missing data</td>
<td>5</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Personal business income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $50,000 USD</td>
<td>51</td>
<td>45.1</td>
</tr>
<tr>
<td>$20,000 – $50,000 USD</td>
<td>38</td>
<td>33.6</td>
</tr>
<tr>
<td>$50,001 – $100,000 USD</td>
<td>9</td>
<td>8.0</td>
</tr>
<tr>
<td>$100,001 – $200,000 USD</td>
<td>6</td>
<td>5.3</td>
</tr>
<tr>
<td>More than $200,000 USD</td>
<td>5</td>
<td>4.4</td>
</tr>
<tr>
<td>Missing data</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Business in operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>6</td>
<td>5.3</td>
</tr>
<tr>
<td>Between 1 and 2 years</td>
<td>18</td>
<td>15.9</td>
</tr>
<tr>
<td>Between 3 and 5 years</td>
<td>38</td>
<td>33.6</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>47</td>
<td>41.6</td>
</tr>
<tr>
<td>Missing data</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Percent of the business owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51% or more</td>
<td>38</td>
<td>33.6</td>
</tr>
<tr>
<td>50% or less</td>
<td>71</td>
<td>62.8</td>
</tr>
<tr>
<td>Missing data</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Family business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>31</td>
<td>27.4</td>
</tr>
<tr>
<td>No</td>
<td>78</td>
<td>68.6</td>
</tr>
<tr>
<td>Missing data</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>How the business started</td>
<td></td>
<td></td>
</tr>
<tr>
<td>With the spouse</td>
<td>18</td>
<td>15.9</td>
</tr>
<tr>
<td>With another family member</td>
<td>12</td>
<td>10.6</td>
</tr>
<tr>
<td>With a non-family member</td>
<td>10</td>
<td>8.8</td>
</tr>
<tr>
<td>Bought the business from a family member</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>Bought the business from a non-family member</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Inherited from a family member</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Other unspecified reason</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Missing data</td>
<td>5</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
<tr>
<td>Perceived gender discrimination in obtaining funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>60</td>
<td>53.1</td>
</tr>
<tr>
<td>No</td>
<td>46</td>
<td>40.7</td>
</tr>
<tr>
<td>Missing data</td>
<td>7</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Most respondents’ education level was above a high school diploma (72.6%). Almost half (41.6%) of the respondents were in business for more than five years; 33.6% possessed business experience of between three and five years, followed by those between one and two years (15.9%). Only 5.3% of women were in business for less than a year. The most popular types of business activity were direct sales (37.6%), followed by technology and programming.
beauty (8.3%), food (7.3%), designing (5%), Internet sales (4.6%), and tailoring (3.7%). None of the remaining business types exceeded 3% (photography, hand crafts, childcare, legal services, drawing, publishing, importing, exporting, accounting, and cleaning). Twenty-eight percent of women reported their businesses as a family business. Only one-third (33.6%) of business owners owned more than 50% of their business. Of those business owners, 48.7% started their business by themselves, while 26.5% started the business with their spouse (15.9%) or family members (10.6%).

The variables

Dependent variable

The dependent variable is firm performance, measured through the respondent’s annual business revenue. Business revenue is amongst the most frequently used and validated indicators of firm financial performance (Diaz-Garcia & Brush, 2012; Dyer, Dyer, & Gardner, 2012; Mari, Poggesi, & De Vita, 2016). A study of China’s entrepreneurs (Yueh, 2009) has found that they make, on average, at least 20% more than non-entrepreneurs, while being similar across standard socio-demographic characteristics. Therefore, the income brackets used in our study have been substantially increased compared to average earnings in China (the national average wage in China per person in 2012 was equal to 47,593 CNY) (Trading Economics, 2013). Each respondent was presented with five income brackets to choose from (Table 1): (1) below $20,000 USD; (2) between $20,000 USD and $50,000 USD; (3) between $50,001 USD and $80,000 USD; (4) between $80,001 USD and $100,000 USD; and (5) more than $100,000 USD. These figures were converted in the Chinese version of the questionnaire, per the average exchange rate in 2012, which was approximately $1 USD = 0.16 CNY throughout the year. A majority of the respondents (109 out of 113) responded to this annual business revenue question, with the following percentages: (1) 45.1%; (2) 33.6%; (3) 8.0%; (4) 5.3%; and (5) 4.4%. We aggregated the income selections into two categories of similar sample size, coded (1) when the respondent’s annual business income was selected from any of the categories labeled 2–5 (we label this group a high-income/high-business-performance group) and (0) when the first income bracket was selected (a low-income/low-business-performance group). A similar categorical measure (although with more than two categories) of firm performance was also used by Cetindamar et al. (2012), Diaz-Garcia and Brush (2012), and Mari et al. (2016).

Independent variables

The level of work-family balance is often assumed to be closely related to the level of family moral support and cooperation (Kim & Ling, 2001; Rehman & Roomi, 2012; Shelton, 2006), an important factor involved in women’s entrepreneurial processes (Chang et al., 2009; Chang, Memili, Chrisman, & Welsh, 2012; Welsh, Kim, Memili, & Kaciak, 2014a; Welsh, Memili, Kaciak, & Ahmed, 2013; Welsh, Memili, Kaciak, & Ochi, 2014b). The moral support measure used in this study involves the family moral supporters (spouse, child, parent, sibling and/or relative) as well as several non-family moral supporters (friend, mentor, government agency and/or private agency). The data on moral supporters were obtained as rankings of four out of nine (i.e., pick and rank k out of n; ties allowed) predetermined moral supporters in a business venture. Many respondents equally evaluated more than one category and assigned the same rank
to them, thus indicating a tie. The distributions of the resulting frequencies of ranks for each moral support category are presented in Table 2.

Table 2. Chinese women entrepreneurs’ moral supporters: Sample frequencies (N=113).

<table>
<thead>
<tr>
<th>Category Name</th>
<th>Rank1</th>
<th>Rank2</th>
<th>Rank3</th>
<th>Rank4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Spouse</td>
<td>61</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. Child/Children</td>
<td>16</td>
<td>6</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3. Parent(s)</td>
<td>45</td>
<td>14</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>4. Sibling(s)</td>
<td>18</td>
<td>11</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>5. Relative(s)</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>6. Friend(s)</td>
<td>20</td>
<td>8</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>7. Mentor(s)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>8. Government agency</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>9. Private agency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 2. Chinese women entrepreneurs’ moral supporters: Sample frequencies (N=113).

As mentioned, in this study we focused only on moral support from family member(s). Based on the resulting frequencies (Table 2), we decided to code these family moral supporters as follows: if a family moral supporter was given by the respondent a rank of 1 or 2, we assigned a code = 1 (important); when the respondent assigned to a family moral supporter a rank of 3 or 4 or did not assign any rank, we coded this category as 0.

As a robustness check, we reviewed a number of other coding possibilities, such as code = 1 for all ranks 1, 2, 3, and/or 4, and code = 0 when no rank was assigned; or code = 1 for rank 1, and 0 for ranks 2–4 or no rank assigned. The results were qualitatively like those obtained with the coding adopted in this study.

Thus, we created five binary (0/1) variables separately for each family moral support category. Then, we computed the total of the five binary variables across all of the respondents. The components of the resulting aggregate vector of frequencies ranged from 0 to 5 (based on the aforementioned ties). For example, a total of 0 would indicate that the respondent did not rank any of the family moral support categories as 1 or 2. A total of 5 would mean that the respondent assigned a rank of 1 or 2 to each of the five family moral categories. In the end, the aggregate vector of frequencies had two components equal to 5 (extremely strong support), 11 components equal to 4 (very strong support), five components equal to 3 (strong support), 35 components equal to 2 (moderate support), 43 components equal to 1 (weak support), and 19 components equal to 0 (no support). The first four components (5, 4, 3, and 2) were subsequently aggregated to a strong family moral support category (46% of the respondents), while the last two components (1 and 0) were collapsed into a low family moral support category (54% of the respondents).

In summary, moral support from the family is measured at two levels: (1) when such support from the family member (spouse, parent, child, sibling, and/or relative) was strongly indicated by the respondent; and (0) when it was weakly or not indicated at all; this is used as a proxy for work-family balance.

The level of marketing capabilities is measured through a woman entrepreneur’s ability to move her business across market boundaries and seize opportunities (Kimosop et al., 2016). One of the objectives of marketers is to determine whether to target global markets or to pursue localized campaigns, and these decisions are frequently determined by the national culture (Durvasula & Lysonski, 2016). The impact of geographic diversification on export performance of small- and medium-sized enterprises was investigated by Cieslik, Kaciak, and Welsh (2012). In our study, women entrepreneurs in China were asked to compare the scope of their businesses
geographically at the startup and presently across five market levels (local city, neighboring city, province, national, international). Half of the respondents (50.4%) indicated that their business had expanded beyond the market level at the startup. In almost all cases, however, the movement was from the local to the national level at the most. Only 3.5% of the total number of women surveyed managed to increase the scope of their business into the international realm. For 46.8% of women, their business had not expanded past the launch level, and in the case of 2.8% it had even contracted below the starting market level. We measure the marketing capabilities variable as a value of (1) when the scope of a woman’s business has expanded outside the market boundaries at the startup or (0) when it has either not expanded or shrunk below the startup market level.

**Control variables**

Age was measured through six age categories (Table 1): under 20 years of age (none of the respondents), between 20 and 29 (26.5%), between 30 and 39 (26.5%), between 40 and 49 (23.9%), between 50 and 59 (15.9%), and 60 or over (2.7%). The majority of nascent entrepreneurs fall between the ages of 25–45 (Acs, Arenius, Hay, & Minniti, 2005; Elam, 2008), and our sample matches this observation. Based on the frequency distribution, we decided to categorize age into two levels: (1) 40 or more years old (44.4% of the respondents); and (0) 39 years old or younger (55.6%). The benchmark of 40 years, separating mature from younger women entrepreneurs, is used in other studies (Mas-Tur, Pinazo, Tur-Porcar, & Sánchez-Masferrer, 2015). Age has an important influence on entry into entrepreneurship (Pathak et al., 2013) and subsequent stages of the business venture (van der Zwan et al., 2012). Some studies point to a potential positive link between age and performance, as younger women entrepreneurs encounter greater difficulty in securing financing because creditors often question their creditworthiness. This translates into lower firm performance (Coleman, 2000; Pinazo-Dallenbach, MasTur, & Lloria, 2016). Other studies, however, find no link between the two variables (Akehurst et al., 2012; Lafuente & Rabetino, 2011; Mas-Tur et al., 2015; Pinazo-Dallenbach et al., 2016). Nevertheless, to capture the possible effect of the entrepreneur’s age on her firm performance, we control for the presence of this variable in our research model.

Marital status indicates whether the respondent is either (1) married (70.8%) or (0) not married [i.e., single (21.2%), widowed (1.8%), separated (0.9%), or divorced (1.8%)]. Marital status has been used as a control variable in a number of studies (e.g., Cetindamar et al., 2012).

We also controlled for business experience (1, if in business longer than five years; 0, if otherwise) (Mari et al., 2016, Staniewski, 2016). Business experience has been a variable studied frequently in the literature of entrepreneurship (Parker & Van Praag, 2012; Jayawarna, Rouse, & Kitching, 2013; Miskin & Rose, 2015). Studies have shown that experience in business is especially important for women entrepreneurs (Huarng, Mas-Tur, & Yu, 2012; McGowan et al., 2012; Mitchelmore & Rowley, 2013).

Finally, the category of management skills was used to measure how the respondent evaluated her management abilities (Asah, Fatoki, & Rungani, 2015; Chen, Greene, & Crick, 1998; Ramadani et al., 2013; Sambasivan, Abdul, & Yusop, 2009; Schenkel, D’Souza, Cornwall, & Matthews, 2015; Welsh, Kacik, & Minialai, 2017). Previous research has shown that the lack of management skills and functional business skills can be an obstacle in running a business (Leibenstein, 1968; Lerner & Haber, 2001). Management skills have also been found by numerous researchers to be positively related to firm performance (Mari et al., 2016; Prasad et al., 2013;
Rey-Martí, Porcar, & Mas-Tur, 2015; Staniewski, Janowski, & Awruk, 2016), although, as in the previous case, some studies point to a lack of such a relationship (Kimosop et al., 2016). By achieving an adequate level of management skills to manage her business, the woman entrepreneur will most likely increase the chances for her business to be successful (Lerner et al., 1997; Buttner, 2001; Huang et al., 2012; Mitchelmore & Rowley, 2013). In this study, the respondents were asked to self-evaluate seven functional business skills, including financial, dealing with people, marketing, general management, sales, idea generation/product innovation, and organization and planning skills. We measured management skills at four levels, arranged as poor, fair, good, or excellent. The distributions of the resulting frequencies for each level are presented in Table 3.

Table 3. Chinese women entrepreneurs’ management skills: Sample frequencies (N = 113).

The final coding was like that applied earlier to the family moral support variable due to the natural rankings among the four variables. We do not report the full procedure for the sake of brevity. In the end, management skills are measured as (1) when the skills were selected as good or excellent, or as (0) when poor or fair.

Table 4 reports descriptive statistics and correlations. Figure 1 displays the study design.

Table 4. Means and correlations

Analyses

To examine the relationships between the dependent and explanatory (predictor) variables, and to test our hypotheses, we conducted two binary (binomial) logistic regressions. The choice of the binary logistic regression analysis was dictated by the binary (0/1) nature of the dependent
variable. Similar to regression analysis, models for binary response extend the principles of generalized linear models in order to give a better treatment of dichotomous dependent variables (Hair, Black, Babin, & Anderson, 2010). The predictor variables can be metric or nonmetric, as in the multiple linear regression. When the dependent variable is binary, discriminant analysis (DA) would also be appropriate. However, DA relies on strictly meeting the assumptions of multivariate normality and equal variance-covariance matrices across groups; such assumptions are not met in many situations (Hair et al., 2010). Logistic regression does not require these strict assumptions, and even when these assumptions are not met, it is much more robust. Since all of our variables are categorical, the choice of binary logistic regression is more justified.

When two or more predictors are highly correlated, this is termed multicollinearity. The presence of multicollinearity affects the statistical tests of the coefficients of the model. The coefficients may have very high standard errors and low significance levels. This also generates incorrect estimates, even with wrong signs (Hair et al., 2010). The presence of high bivariate correlations (generally at least 0.30) is the first indication of the multicollinearity problem. In Table 4, only two out of the 15 correlation coefficients between the explanatory variables are above 0.30, which indicates that multicollinearity may not be a concern. We further tested more formally for multicollinearity and calculated variance inflation factors (VIFs) for the explanatory variables. The VIFs were all below 1.5, again suggesting no apparent problems with collinearity. Values of VIF exceeding 10 are usually regarded as indicating multicollinearity (Hair et al., 2010), but in weaker models, which is often the case in logistic regression, values above 2.5 may be a cause for concern (Allison, 1999).

To address the possibility of heteroscedasticity (when the errors variances are not constant for all observations), heteroscedasticity-robust standard errors were estimated (Huber, 1967; White, 1980). The ordinary least squares (OLS) standard errors are no longer valid in the presence of heteroscedasticity; they are biased and inconsistent and the estimates are inefficient; therefore, the data must be tested for its presence and, if detected, a remedy must be applied. The most widely used procedure, available in most software packages (see Long and Ervin (2000) for a survey of 12 statistical programs), is the Huber-White estimation (Wooldridge, 2003, p. 258). It is applied in this study.
Finally, one must remember that collecting behavioral and attitudinal data from self-reported questionnaires at one time point can lead to common method bias (Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). Therefore, Harman’s one-factor test on all observed variables was applied (Lindell & Whitney, 2001). The exploratory factor analysis produced the (unrotated) factor solution with three factors, accounting for 59.3% of the total variance explained. Should common method bias be present, one would expect a single factor to be extracted and account for most of the variance in the variables included in the study. Since such a single-factor solution did not emerge, it was an indication that common method bias is not prevalent in this study (Mac & Evangelista, 2016; Zhang et al., 2014).

The binary logistic regression model is formally expressed as \( P(Y_i = 1) = \frac{1}{1 + \exp(-a - x_i b)} \) where \( Y_i \) is the dependent variable with two possible outcomes (0 or 1), \( x_i \) is the vector of the predictor variables for the \( i \)th observation, \( a \) is the intercept parameter (a constant), and \( b \) is the vector of regression coefficients (Arslan & Larimo, 2011). Binary logistic regression estimates the probability of an event (\( Y_i = 1 \)) happening; it identifies the predictor variables that impact group membership in the dependent variable.

In Model 1, we tested the relationships between the control variables and the dependent variable. In Model 2, we introduced the two independent variables. The results of the binary logistic regressions are found in Table 5.

### Table 4. Means and correlations.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Firm Performance</td>
<td>108</td>
<td>0.53</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Age</td>
<td>108</td>
<td>0.44</td>
<td>0.108</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Marital Status</td>
<td>109</td>
<td>0.73</td>
<td>-0.111</td>
<td>0.374</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Business Experience</td>
<td>109</td>
<td>0.43</td>
<td>-0.030</td>
<td>0.455</td>
<td>0.189**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Management Skills</td>
<td>109</td>
<td>0.39</td>
<td>-0.032</td>
<td>-0.064</td>
<td>-0.121</td>
<td>-0.042</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>6. Work-Family Balance</td>
<td>113</td>
<td>0.46</td>
<td>0.149</td>
<td>-0.191*</td>
<td>-0.162*</td>
<td>-0.069</td>
<td>-0.016</td>
<td>1</td>
</tr>
<tr>
<td>7. Marketing Capabilities</td>
<td>109</td>
<td>0.50</td>
<td>0.167*</td>
<td>0.058</td>
<td>0.016</td>
<td>-0.064</td>
<td>-0.158</td>
<td>0.101</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

*Correlation is significant at the 0.05 level (2-tailed).**

*Correlation is significant at the 0.10 level (2-tailed).

### Table 5. Logistic regression results.

<table>
<thead>
<tr>
<th>Control variables</th>
<th>Model 1 ( N = 107 )</th>
<th>Model 2 ( N = 107 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.41 (0.45)</td>
<td>-0.54 (0.60)</td>
</tr>
<tr>
<td>Age ( 1 = 40+ ) years old; ( 0 = ) otherwise</td>
<td>0.93 (0.46)</td>
<td>1.03 (0.49)</td>
</tr>
<tr>
<td>Marital Status ( 1 = ) Married; ( 0 = ) Unmarried</td>
<td>-0.87 (0.48)</td>
<td>-0.81 (0.48)</td>
</tr>
<tr>
<td>Business Experience ( 1 = ) years; ( 0 = ) otherwise</td>
<td>0.12 (0.41)</td>
<td>0.31 (0.43)</td>
</tr>
<tr>
<td>Management Skills ( 1 = ) Yes; ( 0 = ) No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-Family Balance ( 1 = ) Yes; ( 0 = ) No</td>
<td>0.77 (0.43) ( (H1:) confirmed)</td>
<td></td>
</tr>
<tr>
<td>Marketing Capabilities ( 1 = ) Yes; ( 0 = ) No</td>
<td>0.83 (0.42) ( (H2:) confirmed)</td>
<td></td>
</tr>
<tr>
<td>-2 Log Likelihood</td>
<td>142.81</td>
<td>135.30</td>
</tr>
<tr>
<td>Cox and Snell R2</td>
<td>0.05</td>
<td>0.11</td>
</tr>
<tr>
<td>Nagelkerke R2</td>
<td>0.07</td>
<td>0.14</td>
</tr>
<tr>
<td>Model ( y_2 (df) )</td>
<td>5.29 (4)</td>
<td>11.91 (6)</td>
</tr>
<tr>
<td>% correct classification</td>
<td>57.9</td>
<td>61.7</td>
</tr>
</tbody>
</table>

**Dependent variable: Firm Performance (1 = High; 0 = Low).**

Note 1. Regression coefficients: **p < .01; *p < .05; **p < .10; two-tailed tests.

Note 2. Standard errors in the parentheses (heteroscedasticity corrected).
Results

In Model 1 (Table 5), we regressed firm performance on the four control variables to capture their influence on the relationships we theorized in our hypotheses. We found the entrepreneur’s age and marital status to be statistically significantly related to firm performance. Overall, Model 1 was not significant ($\chi^2 = 5.292, p = 0.259$). A $-2$ log likelihood value was 142.81 and pseudo-R2 values ranged from 0.05 (Cox and Snell R2) to 0.06 (Nagelkerke R2).

In Model 2, we added the two independent variables to the four controls. The binary logistic regression yielded a statistically significant and positive coefficient of work-family balance, supporting H1. Also, it produced a statistically significant and positive coefficient for marketing capabilities, which supports H2. Model 2 was overall significant ($\chi^2 = 11.91, p = 0.06$). A $-2$ log likelihood was 136.19. We also observed an increase of pseudo-R2 values to 0.11 and 0.14, respectively.

The contribution from the two independent variables is analyzed by comparing the two successive models using an incremental chi-square ($\chi^2$) test for model refinement. The sought-after significant increase in the $\chi^2$ value in Model 2 compared to Model 1 was observed: the difference of 6.62 ($= 11.91 - 5.29$) between Model 2 (with 6 degrees of freedom; df) and Model 1 (with 4 degrees of freedom; df) was statistically significant with the p-value < 0.05. This result indicates that, after accounting for the control variables, the independent variables do make a significant contribution to explaining the dependent variable. The results also showed a slight increase in the prediction success rates when the independent variables were added (from 57.9% in Model 1 to 61.7% in Model 2).

Concerning the control variables, age and marital status are statistically significantly related to the dependent variable in the two models. The results suggest that older (40+ years old) and currently unmarried (single, divorced, separated, or widowed) women are more likely to achieve better firm performance than their counterparts. Mature women entrepreneurs may find it easier to balance work-family conflicts, as their children are probably older and require less attention and the overall family situation is more settled. Unmarried women do not usually face the work-family barrier. Business experience and management skills were found not to be significant predictors of firm performance.

Discussion

In this study, we focus on two dynamics related to Chinese women entrepreneurship—work-family balance and marketing capabilities—and their relationship with firm performance. As expected, the link between the level of work-family balance (expressed through the intensity of family moral support) and firm performance is positive. This is in line with results reported in other studies, which confirmed that family affective support can be an important enabler of venture growth (Bruderl & Preisendorfer, 1998; Carr & Sequeira, 2007; Cruz et al., 2012; Özcan, 2011; Prasad et al., 2013; Welsh et al., 2014a). Those studies have been conducted in various country settings, such as the US, Germany, South Korea, Dominican Republic, Turkey, and India. We are not aware of a study that considers these relationships in the context of China.

Little is known about the factors that affect the development of female entrepreneurial activity in this developing country with its distinctive cultural values and specific stage of transition (van der Zwan et al., 2012). Our study contributes to the notion that achieving a work-family balance through family moral support is an important perceptual factor related to firm performance.
regardless of the country setting. It seems that women entrepreneurs and their business ventures benefit from family affective support, regardless of the level of country-specific economic development and other socio-cultural factors. In general, research indicates that businesses owned by women tend to underperform in financial/growth terms compared to male-owned firms (Nissan, Carrasco, & Castano, 2012; Pines, Lerner, & Schwartz, 2010). One of the reasons is the barriers women face as business owners, such as difficulties in balancing work-family issues (Pines et al., 2010).

Of course, full-scale family support that involves not only affective but also tangible, instrumental (e.g., financial), support would be of even greater value for a woman entrepreneur (Eddleston & Powell, 2012; Welsh et al., 2014b). Our finding suggests, however, that even the slightest appearance of family help, in the form of only intangible, moral support, may increase the chances for women entrepreneurs’ business success. Collins-Dodd et al. (2004), Eddleston and Powell (2012), Powell and Eddleston (2013), and Jennings and Brush (2013) found that family moral support may positively affect firm performance by helping a woman entrepreneur in obtaining a better balance between work and family. Along the same line of reasoning, Shelton (2006) indicates that any work-family conflict may hinder venture performance. Prasad et al. (2013) further suggest that family moral support gives a woman entrepreneur confidence that she can competently manage her family-work responsibilities, thereby contributing further to the likelihood of business growth.

Our research has also found a positive relationship between marketing capabilities of women entrepreneurs in China and their firm performance. Marketing capabilities include skills such as segmenting and targeting markets, advertising, pricing, and integrating marketing practices (Song et al., 2008). Women who possess such skills are better equipped to seize opportunities and move their business across market boundaries, which leads to higher performance (Kimosop et al., 2016). Similarly, Farley et al. (2008) report, in their study of managers of firms in Vietnam, that more marketing-oriented firms perform better. In a related study that involved a gender-neutral investigation of exporters in China, Mac and Evangelista (2016) report a negative relationship between market orientation and export performance. These researchers stress that exporters should not be obsessed with being market oriented, as this may negatively affect their financial performance due to excessive costs involved. In our study, about half of the women entrepreneurs in China did not follow a market expansion strategy. The two conflicting results for the same country, with similar convenience sample sizes (between 100 and 200) although in different settings (women entrepreneurs vs. exporting firms), indicate that the issue of the impact of global marketing strategies on firm performance dictates further study.

One of the objectives of marketers is to determine whether to target global markets or to pursue localized campaigns, and these decisions are frequently determined by the national culture (Durvasula & Lysonsni, 2016). In our study, half of the surveyed women entrepreneurs did not follow a market expansion strategy. This means that those women entrepreneurs kept their operations within the same market boundaries (usually within the same city limits) from the launch of their business. Our survey also showed that only 3.5% of the women ventured into international markets, a very small percentage compared to results reported for other countries. For example, 11.1% of all exporting small and medium enterprises in Canada are female-owned, also a small fraction (The Canadian Trade Commissioner Service, 2017). This means that small business female owners in China do not benefit from globalization of markets. They tend to focus on their local (national at the most) surroundings, apparently focusing on smaller endeavors. Granted, as mentioned earlier, half of them did manage to expand their business
compared to the startup level, and this allowed them to improve their performance compared to those who did not enlarge. However, these events were happening outside of larger globalization schemes. One of the reasons for this lack of globalization focus is that the surveyed firms constitute primarily various service firms and virtually none of them is in the manufacturing sector. Exporting services is more difficult than exporting physical goods, and the effects are smaller (Malchow-Møller, Munch, & Skaksen, 2015). Women entrepreneurs make fewer attempts to internationalize, most likely because of their specialization in personal service sectors, which are more difficult to export (Nissan et al., 2012). Studies show that women are well-represented in sectors perceived as traditionally female, such as retailing, but are underrepresented in male-dominated areas, such as science, engineering, and technology (McGowan et al., 2012). Sabarwal and Terrell (2008) find that nearly 70% of women entrepreneurs in Eastern and Central Asia operate in “unspecified service” firms, and only 10% in mining and construction firms. Ramadani et al. (2013) report that 55% of surveyed women entrepreneurs in Macedonia operate in the service sector and 17.5% in trade, while manufacturing, construction, and agriculture combined cover 30% of their activities.

In terms of the control variables, we found that older women entrepreneurs (40+ years) are more likely to achieve better firm performance than their counterparts. This finding agrees with research that shows that work-family conflicts should decrease with a woman’s age (and thus performance should increase), as her children are getting older and require less attention, and the overall family situation is probably more settled (Pleck, Staines, & Lang, 1980; Kim & Ling, 2001). Parents with children of pre-school age experience more work-family conflict than older parents with older children (Pleck et al., 1980; Kim & Ling, 2001). The research has also found that married women have worse firm performance than their unmarried counterparts. This result also makes sense, as married women are more likely to face the work-family barrier compared to unmarried women.

Limitations and future research

Our sample size is limited and not representative of the population the size of China. Rather, we explore the performance of women-owned businesses by examining work-family balance and marketing capabilities. We encourage researchers to investigate these two phenomena in other parts of the world for generalizability of our findings, given possible temporal effects. Further studies should be conducted in China with a more representative sample.

Additionally, the convenience sample was conducted online and mostly through support organizations and networks of women entrepreneurs, as well as through personal connections of the researchers. The results are strongly influenced by people who can use the Internet and belong to networking organizations. Our sample was gathered from cities rather than the rural population, which also limits the study. Therefore, future research may include non-users of the Internet and those living in rural areas. Furthermore, our study was not longitudinal, which can reflect the impact of changes in living conditions, economic conditions, and culture.

Additionally, China’s economic policies are changing almost daily. It would be interesting to see how these changes encourage women-owned businesses and entrepreneurial startups over time, especially in the areas of science and technology startups, where China is investing large amounts of research and development. Women entrepreneurs and innovation in China is a ripe area of study and very little, if any, research specifically looks at this
phenomenon. A study specific to transition economies that looked at information communication technologies (ICT), innovation, and firm performance with World Bank data found that ICT is imperative for businesses to compete in the world marketplace (Gërguri-Rashiti, Ramadani, AbaziAlili, Dana, & Ratten, 2017). It is important for all businesses to make the connection between ICT and innovation, but particularly for small to medium enterprises, which are the bulk of women-owned businesses in China. Export practices in emerging markets may change because of increased information technology (Raymond, Kim, & Shao, 2001). If women can seize the opportunity to innovate with the help of their family and external support mechanisms, they may be strong drivers of innovation in China (Chang et al., 2009).

Moreover, we draw upon a family embeddedness perspective (Aldrich & Cliff, 2003) in our study. Studies investigating other family business dynamics by drawing upon other different theoretical perspectives may shed light on family involvement idiosyncrasies in women entrepreneurs’ enterprises.

Our study surveyed women entrepreneurs who run only formally established firms that legally and officially operate inside the system of taxation, support from the public sector, and labor law protection (Warnecke, 2016). Recently, increasing attention is being placed on informal entrepreneurship, which is often invisible and vulnerable (Ratten, 2016; Warnecke, 2016). In China, for example, women are more likely than men to be entrepreneurs in an informal setting (Warnecke, 2016). Comparing women entrepreneurs from formal and informal sectors within and across countries may provide additional insights as to the determinants of female entrepreneurial performance.

Implications for public policy

Based on the results of our exploratory study, since work-family balance is an important main effect on business performance, public policy should include steps to foster and promote women’s entrepreneurship within families in China, given the cultural history of strong family ties (Xie, 2013). Xie (2013) discusses the role of women and family structures and the changes these structures have undergone since 1949, when the People’s Republic of China was founded. These changes have been due to the rapid economic development and the resulting higher consumption aspirations of couples, affecting women’s ability to start and grow their businesses. Xie (2013) explains the changes of female roles in the family. Government policies need to nurture and encourage women-owned businesses by implementing incentives in the areas of finance, child support, business, entrepreneurship training, and by offering workshops on regulations.

Additionally, the population must embrace women-owned businesses and encourage women’s entrepreneurship from a young age. China is known to have effective means of communication to reach its population and affect attitudes. Visible support from the government through communication, training, programming, and reward systems will gradually change attitudes, prompting Chinese citizens to be more accepting and supportive of women entrepreneurs and their businesses. Finally, considering our preliminary findings that marketing capabilities lead to better firm performance, directed efforts to design programs for women entrepreneurs that promote the development of such specific skills and knowledge are needed, particularly in marketing competencies.

Global marketing competencies, how to form networks, exporting, and other forms of cooperation for women-owned businesses should be put at the forefront of training and
initiatives, as they offer some of the largest returns on investments (Dana, 2000). One possibility
is to form a Joint Action Group (JAG) among the women-owned businesses in similar exporting
areas. An example of how a JAG works can be found in the example of a JAG scheme with
Australian companies and China Grain (Welch, Welch, Wilkinson, & Young, 2000). Forming a
JAG has the advantage of a smaller outlay of resources but bigger financial benefits. Smaller
companies can learn from larger companies in the JAG (Welch et al., 2000).

China has the largest population in the world, with over 1.355 billion inhabitants. While
the Chinese government has strictly enforced population control, the future of the Chinese
economy is dependent on both women and men. Women entrepreneurs and their skills are
needed to develop businesses to contribute to one of the world’s powerhouses. Embracing
women’s entrepreneurship will bring China to its next level of business and cultural
development.

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