

## 2000 ASBE San Antonio, Texas March 2000

1. [Through The Glass Ceiling or over the Rainbow?](#)
  - Linda B. Shonesy, Athens State University
  - Robert D. Gulbro, Athens State University
2. [When Is a Disability Not a Disability? An ADA Update?](#)
  - Elaine Hobs Fry, Nicholls State University
3. [Prediction of Small Business Executive Compliance with the Americans with Disabilities Act Using the Theories of Reasoned Action and Planned Behavior](#)
  - Stephen C. Jones, College of the Ozarks
  - Louis D. Ponthieu, University of North Texas
4. [Small Business Employers' Attitudes and Perceptions of Employee Benefits](#)
  - Joseph A. DeFatta,
  - Patricia Roshoto,
  - E. Michelle McEacharn
5. [Independent Contractor or Employee: What's the Difference?](#)
  - Judy Harrison, Jacksonville State University,
  - Patricia Borstorff, Jacksonville State University
6. [The Hiring Process: Lost but not forgotten](#)
  - David Gundersen, Stephen F. Austin State University
  - William T. Jackson, Stephen F. Austin State University
7. [Personal Networking Activities and Venture Performance: Lessons From Small High Technology Manufacturing Firms](#)
  - Jeffrey E. McGee, The University of Texas at Arlington
8. [Self-Efficacy of Employment Outside the Current Organization: Some Skills Could Be Detrimental](#)
  - Sanjib Chowdhury, University of Tennessee at Martin
  - Megan Endres
9. [The Use of Non-Multivariate Sociographic Analysis in the Investigation of Purchasing Behavior of Mobile and Residential Homes](#)
  - Charles H. Rader, McNeese State University
  - Ray Cornish, McNeese State University
  - Daryl Burckel, McNeese State University
  - Walter Gaster, East Central University
10. [Lack Of Financial and Location Planning Causes Small Business Bankruptcy](#)
  - Donald B. Bradley III, University of Central Arkansas
11. [Internationalisation and the Size of the Firm](#)
  - Dr. Christos Kilantaridis, University of Luton, UK
  - Ms. Areti Levanti, University of Luton, UK
12. [Globalisation and Entrepreneurial Strategies, A Comparative Investigation: Case Study Analysis from Southern and Eastern Europe](#)
  - Dr. Christos Kilantaridis, University of Luton, UK
13. [Is Wait And See A Sensible Strategy For UK SMEs Concerning the Euro?](#)
  - John Pheby, University of Luton

14. [Enhancing SME's Competitive Advantages: Using A Complete Set of Industrial Improvement Policies](#)
  - Chin-Feng Lin, National Taiwan University of Science And Technology
  - Ming-Yih Yeh, National Taiwan University of Science And Technology
15. [Are Small Firms Competitive In The Quality Arena?](#)
  - Linda Shonesy
  - Robert D. Gulbro
  - Paul Dreyfus
  - Athens State University
16. [Small Business Peoples' Reaction To Their Accountant's Services](#)
  - Paul Dunn, University of Louisiana at Monroe
  - Leo Cheatham, University of Louisiana at Monroe
  - Carole Cheatham, University of Louisiana at Monroe
17. [An Assessment Of The Quality Of Advertising Agency Advice To Small Business](#)
  - Paul Dunn, University of Louisiana at Monroe
  - Robert E. Stevens, University of Louisiana at Monroe
  - Henry S. Cole, University of Louisiana at Monroe
18. [Needed Information And Assistance For Women Entrepreneurs: A Comparison With Male Small Business Owners](#)
  - Marilyn Young, The University of Texas at Tyler
  - Christine Thurlow Brenner, The University of Texas at El Paso
19. [Human Resources Practices that Establish Expectations and Support Employee Responsibility in Small Service Firms](#)
  - Vicki Kaman, Colorado State University
  - Anne M. McCarthy, Colorado State University
  - Robert D. Gulbro, Athens State University
  - Mary L. Tucker, Ohio University
20. [Industry Study Regarding Organizational Effectiveness In Labor Intensive Companies: Small To Medium Sized CPA Firms](#)
  - James W. Smith, Monmouth University
  - Joseph B. Mosca, Monmouth University
  - Philip H. Siegel, Fairleigh Dickinson University, Madison
21. [The Indefatigable Entrepreneur: A Study Of The Dispositions Of Multiple Venture Founders](#)
  - JoAnn C. Carland, Western Carolina University
  - James W. Carland, Western Carolina University
  - Wayne H. Stewart, Jr., Clemson University
22. [The Relationship Of Three Measures Of Corruption To Individualism And Collectivism: Implications For Entrepreneurship Education](#)
  - Paul G. Wilhelm, University of Texas-Permian Basin
23. [Locus Of Control And Enpreneurs In A Small Town](#)
  - Morris Boydston, Rich Mountain Community College
  - Lisa Hopper, Rich Mountain Community College

- Alan Wright, Henderson State University

---

Click here to return to [The Small Business Advancement National Center](#) homepage.

# THROUGH THE GLASS CEILING OR OVER THE RAINBOW?

*Linda B. Shonesy, Athens State University Robert D. Gulbro, Athens State University*

## ABSTRACT

This study concentrates on three categories found in the literature that contribute to the success of small businesses. In a preliminary study women were queried as owners/founders of small businesses to determine specific successful characteristics of those owners, successful characteristics of the business, and the strategies used to achieve success. This study is to be used as a guide for further research.

## INTRODUCTION

In striving to achieve in corporate America, women, in many cases, have unfortunately run into a glass ceiling. Their promotional opportunities upward have reached a point on the career ladder, where they were passed over because they were "female." One way around that for a woman was to start her own business. However, succeeding and surviving in a small business can be difficult. Many fail during the first five years of operation (Hofer & Sandberg, 1987). Yet many women are able to survive and prosper, thus getting around the glass ceiling barrier, and finding their pot of gold at the end of the rainbow.

In a recent review of the literature, regarding the reasons why small businesses have been successful, it was determined that there were three categories that contribute toward insuring the success of a small business. These were strategic issues, demographics of the business, and owner characteristics (Shonesy & Gulbro, 1998). While there appears to be no one set of reliable variables to consistently promote success, because of individual differences within firms, this article seeks to apply these three variables to five successful women owner/entrepreneurs, in a pilot study, to determine to what extent these variables contributed to their success. There have been several studies seeking to identify critical success factors for businesses. However, according to Castragiovanni (1996), little research has looked at small business success specifically. Gaskill, Van Auken, & Manning (1993) states that studies of this nature were important to conduct as information regarding business success needs to be available, since small business success is important to our economy. Ponthieu and Insley (1996) reported that "small business constitutes 97% of all business in the United States and employs more than 58% of the labor force" (p.35). The importance of small businesses to the economy is evident.

Research specifically targeting the success of small businesses is reported by Bates (1995), and used data compiled by the Census Bureau (Characteristics of Business Owners). It indicated that of 90,000 small businesses surveyed (from 1984-1987), approximately 65% of franchise firms were still in operation in 1991. Seventy-two percent of independent firms were also operational. Dun and Bradstreet reported that 51.8% of firms fail during the first five years, with 9.5% failing per year (Dun & Bradstreet, 1989). The positive aspects of these figures would indicate that a large portion of firms are still in business, which seems to imply that there are many successes in the small business environment. It is important to study the reasons for the success of so many of these small businesses, as future entrepreneurs will find this information beneficial in assuring their success.

## REVIEW OF THE LITERATURE

Many studies have looked at small businesses and have tried to determine the reasons why these businesses have been able to remain successful. Studies that involved owner characteristics found that experience of the owner was very important to a firm's success (Beckman & Marks, 1996; Dyke, Fischer, & Reuben, 1992; Hand, Sineath & Howle, 1987; and Keats & Bracker, 1988). Bird (1989) stated that firms where owners showed innovative abilities, risk-taking propensity, and prior experience were most successful. In Dechesneau and Gartner (1990), it was noted that in addition to prior experience, the willingness to work long hours, good communication skills, good customer service skills, and the ability to plan and be flexible were also favorable owner/manager characteristics. Castrogiovanni (1996) found that preexisting founder knowledge was positively related to survival of the business also.

In a study by Lussier and Corman (1995), it was noted that a significant difference was found in those firms where the owner's parents also owned a business. This would seem to indicate that experience might also be obtained from association with other owners, as well. Cooper, Dunkleberg and Woo (1989) looked at factors other than experience such as age, gender, and race and found that older, nonminority, male entrepreneurs with four or more years of college were usually associated with successful firms. Hand, Sineath, and Howle (1987) also indicated that age and education were important.

Many studies have cited strategic issues as being important to the success of small firms. Mintzberg (1994) stated that small business owners must be able to define necessary strategies to succeed, as the firms continue to change. Castrogiovanni (1996) found that capital reduced the incentives to plan, indicating that the owner felt more secure and thus did not see the need for planning as long as the business was in a positive position. Other studies that looked at appropriate management and financial planning were conducted by Ibrahim and Goodwin (1986), Montagno I Kuratko, and Scarcella (1986), Hofer and Sandberg (1987), Lumpkin and Ireland (1988), and Susbauer and Baker (1989). In particular, Hofer and Sandberg (1987) noted that quality service and production was directly related to effective planning and good management decisions to achieve success. Filley and Pricer (1991) defined several tools for small business success. These included appropriate operating strategies, good financial management and pricing strategies, and motivational strategies. Another study by Costa (1994) found that while strategic planning was important for success, marketing strategies were also necessary. Zetlin (1994) also noted that success strategies involved innovative marketing strategies, strategies leading to a quality product, and customer orientation.

Finally, demographics of small businesses have been noted as contributing to the success of small firms. These would include the age of the business, the location, size of the firm, and type of ownership of the business. A study by Bates and Nucci (1989) confirmed that the age and size of the firm had an impact upon survival. The older the firm, the more likely it was to remain in business, and the larger the firm, the more likely it was to be successful. Boyle and Desai (1991) also indicated that the longer a small firm has been in operation, the better the chance that it would remain in business.

As this current paper seeks to address the owner characteristics, business demographics, and strategies used by women owners in several small businesses, a review of the literature located several studies that deal with the success of female entrepreneurs. The majority of research centers upon owner characteristics. In 1991, twenty-nine percent of all businesses was owned by women, according to the Census Bureau. Approximately 7.7 million women were considered entrepreneurs, which was more than double that of male firms. More than 15 million workers are employed by women, according to the National Foundation for Women Business Owners (NFWBO, 1995). It has been estimated that by the year 2000, almost half of the businesses in America will be owned by women (the Committee on Small Business, 1988). The Department of Labor (1994) reports that approximately twenty-nine percent of all working women were either in executive, professional, or managerial positions. To say that women contribute to the American economy is an understatement.

Several studies have looked at women and the many characteristics that they have brought into the small business as owners/entrepreneurs. Many studies have compared gender differences in management styles and reasons as to why women have not been able to rise above the so called "Glass Ceiling." Women have traditionally been seen in roles that link them with problems in the workplace dealing with family issues, being paid lower wages, being poor managers, lacking in the necessary skills to manage, and creating an uncomfortable atmosphere among male coworkers. According to Loscocco and Leicht (1993), female owners of small businesses are more likely than men to be single, spend more time on domestic duties, operate smaller, younger businesses and have less capital. Clark and James (1992) found that few women have attained high earnings from ownership of businesses. In addition, this study concluded that business ownership gave few significant benefits to women, as most businesses are small, undercapitalized and set up barriers for women, due to their limited management experience and family constraints. In a study by Davies-Netzley (1998), men mainly associated success with individual qualities, such as individual talent, effort and hard work. Women agreed that an individual's inner drive, high self-esteem, and communication skills were important for success, however, and emphasis on being able to navigate the social network was regarded as necessary for the individual characteristics to prove viable. Strategies to compete in the social network mentioned were attaining higher educational training, developing similarities with male peers, establishing networks with other women, and reconciling work and home responsibilities.

Buttner and Moore (1997) examined reasons why female entrepreneurs left larger organizations and how they measured success. It was noted that motivations to leave and become small business owners included a desire for challenge, for self-determination, and to balance family and work responsibilities. Success is measured by selffulfillment and achievement, which are owner characteristics. There are some studies in the literature that support the findings that success is measured by business performance or growth (Box, White & Barr, 1993-. Chandler & Hanks, 1994). While some authors report that women and men's businesses have similar survival rates (Kalleberg & Leicht, 1991), others suggest that men and women use different criteria to measure success, Romano (1994) reported that based upon a survey from the National Foundation for Women Business Owners, that success for women was having control over destinies, building ongoing relationships, and fulfillment. Men described success in terms of goals. while both included monetary gains as a means to determine success. Success means different things to different people. however, business survival is still the major criteria for a small business.

Research regarding the demographics of small businesses owned by women is limited in the literature. Several past studies do show that women business owners usually show lower earnings from their businesses than do men (Aldrich & Weiss, 1981; Kalleberg 1986; Loscocco, et al, 1991). Prior research reported that a major determinant of small business success was the size of the business, and because the average size of women's businesses is smaller that would account for the differences in sales (Aldrich & Weiss, 1981; and Loscocco et al., 1991). Loscocco and Leicht (1993) found that men's businesses were generally larger and older than women's firms and, therefore, were more stable. It was concluded that this stability affected the business earnings of the businesses owned by women, in that these earnings were lower.

Research involving strategies used by women in small businesses is almost non-existent. Gray (1999) reports that to achieve business success in smaller companies, beyond the survival level, entrepreneurs are required to develop specific strategies to enhance growth. No longer it is just adequate to survive a day at a time. This study indicates that it is most important to use a combination of strategies. Carter, Williams, & Reynolds (1997) also suggest that businesses using a combination of strategies outperform those with one single strategy. These studies did not specifically target women.

## **METHODOLOGY**

Because of the dearth of studies targeting female entrepreneurship, this pilot study was undertaken to help identify success characteristics and strategic issues. Additional studies have been recommended. Five women were interviewed, who were Owner/entrepreneurs in a one state area. Participants were selected from several different industries: two in retailing, two in government contracting, and one in a service-based business. The sample for this pilot was limited only to those who were founders or owners. We contacted two owners who were known personally and we asked them to suggest other executives who might be willing to participate. This process of snowball sampling can be useful when studying small populations that are difficult to contact, due to the nature of their businesses. Contacts can be made through executives that might otherwise be impossible. It was decided to focus on local sampling for women, as women seem to be making the greatest strides in breaking the "glass ceiling" on a local level, rather than nationally (Davies-Netzley, 1998).

The interviews were conducted using a combination of face-to-face interviews or by telephone. Questions were asked based upon a small business success survey that focused on the characteristics of owners, the demographics of the business, and business strategy options. Many questions were open-ended and solicited views, as well as factual data. The data is summarized in Table 1. All respondents were women. The snowball sampling produced a sample that included three women who were white, one who was American Indian, and one who was Hispanic. There is an obvious problem with this type of study in that the sample is small and did not allow for comparisons of all races in this pilot study. Studies using snowball sampling and other non probability techniques have low external validity and their findings cannot be generalized beyond this sample (Bernard, 1994). However this study's preliminary findings are to be used to define future research questions relating to women in small businesses, a group that is often hard to access.

## **DISCUSSION**

After summarizing the data gathered through face-to-face interviews, the following information was obtained and is displayed in Table 1. Preliminary findings are varied. One item in each of the three categories did stand out, but no major consensus was found. The main characteristic of a successful female entrepreneur was confidence. The main characteristic of a successful small business was longevity (the longer in business, the more likely to survive). The main strategy chosen by the female entrepreneurs was the use of innovative marketing to rise above the competition.

## CONCLUSION

This study suggests that when using a larger sample, future studies should focus on the identification of specific strategies that allow women to be successful, on owner characteristics that promote success, and on demographics of successful small businesses. Future research might examine the differences in males and females regarding the use of business strategies, demographics of the business, and owner characteristics. In addition, research needs to concentrate on identifying specific business strategies that contribute to success in both males and females.

As successful female businesses emerge, others will use these as role models and the ranks of businesses being owned by women will grow. Successful track records for women will keep others who follow from making the same mistakes, will provide better access to more business capital, and will allow women owners to expand their small businesses. Women are on the edge of the new millennium or a new era of female-dominated businesses, as the year 2000 approaches. Research is needed to continue to examine the factors that contribute to successful business ownership by women. There is a potential that is not yet tapped. Not only must we "crack the glass ceiling" in this country, but also we must "raise the roof" of this ceiling by finding ways to encourage female entrepreneurs to address strategy issues to insure business success.

## REFERENCES

- Aldrich, H., and J. Weiss. (1981). Differentiation within the United States capitalist class: Workforce size and income differences. American Sociological Review 46, 279-290.
- Bates, T. (1995). Analysis of survival rates among franchise and independent small business start-ups. Journal of Small Business Management 33(2), 26
- Bates, T., and A. Mucci. (1989). An analysis of small business size and rate of discontinuance. Journal of Small Business Management 27(4), 1-7.
- Beckman, J., and N. Marks. (1996). Entrepreneurial success and previous business experience. Southwestern Small Business Institute Association Proceedings, March, 1996, 82-84.
- Bernard, H. (1994). Research methods in anthropology: Qualitative and quantitative approaches. Thousand Oaks: Sage Publications.
- Bird, B. (1989). Entrepreneurial behavior. Chicago, IL: Foresman. Boyle, R., and H. Desai (1991). Turnaround strategies for small firms. Journal of Small Business Management 29(3), 33-42.
- Box, T., M. White, and S. Barr. (1993). A contingency model of new manufacturing firm performance. Entrepreneurship Theory and Practice, 18(Winter), 3146.
- Buttner, H., and D. Moore. (1997). Women's organizational exodus to entrepreneurship. Journal of Small Business Management, 35(1), 3447.
- Carter, N., M. Williams, and P. Reynolds (1997). Discontinuance among new firms in retail: The influence of initial resources, strategy, and gender. Journal of Business Venturing 12(2), 125-145.

- Castrogiovanni, G. (1996). Pre-startup planning and the survival of new small businesses: theoretical linkages. Journal of Management 22(6),801-823.
- Chandler, G., and S. Hanks. (1994). Founder competence, the environment, and venture performance. Entrepreneurship Theory and Practice 18(Spring), 77-90.
- Committee on Small Business, House of Representatives. (1988). New economic realities: The rise of women entrepreneurs. Report 100-376. Washington, DC: U.S. Government Printing Office.
- Census Bureau (1991). CSB087-1. Characteristics of business owners in 1987. Washington, DC: U.S. Government Printing Office.
- Clark, T., and F. James. (1992). Women-owned business enterprises. Economic Development Quarterly, 6(1), 25-41.
- Cooper, A., W. Dunkleberg, and C. Woo. (1989). Entrepreneurship and the initial size of firms. Journal of Business Venturing 4, 317-332.
- Costa, S. (1994). 100 years and counting. Management Review, 83(12), 32-34.
- Davies-Netzley, S. (1998). Women above the glass ceiling. Gender and Society, 12(3), 337-354.
- Duchesneau, D., and W. Gartner. (1990). A profile of new venture success and failure in an emerging industry. Journal of Business Venturing, 5, 297-312
- Dun & Bradstreet. (1989). Business Failure Record. New York: Dun & Bradstreet.
- Dyke, L., E. Fischer, and A. Reuben. (1992). An interindustry examination of the impact of owner experience on firm performance. Journal of Small Business Management, 30(4), 72-87.
- Filley, A., and R. Pricer. (1991). Growing companies: Tools for small business success. Madison: Magna Publications, Inc.
- Gaskill, L., H. Van Auken, and R. Manning. (1993). A factor analytic study of the perceived causes of small business failure. Journal of Small Business Management, 31(4), 18- 31.
- Gray, J. (1999). A predictive model of small business success. Academy of Entrepreneurship Journal, 5(2), 25-35.
- Hand, H., W. Sineath and W. Howle. (1987). Small business concepts and their relationship to performance: A field study of retail service stations. Journal of Small Business Management, 25(2), 55-63.
- Hofer, C., and W. Sandberg. (1987). Improving new venture performance: Some guidelines for success. American Journal of Small Business 12(Summer), 11-25.
- Ibrahim, A., and J. Goodwin. (1986). Perceived causes of success in small business. American Journal of Small Business, 11 (Fall), 41-50.

Kalleberg, A. (1986). Entrepreneurship in the 1980s: A study of small business in Indiana. In G. Libecap (ed.), Advances in the study of entrepreneurship, innovation, and economic growth.. (pp. 157-189), New York: JAI Press.

Kalleberg, A., and K. Leicht. (1991). Gender and organizational performance: Determinants of small business survival and success. Academy of Management Journal, 34(March), 131-161.

Keats, B., and J. Bracker. (1988). Toward a theory of small firm performance: A conceptual model. American Journal of Small Business, 12(Summer), 41-58.

Loscocco, K., and K. Leicht. (1993). Gender, workfamily linkages, and economic success among small business owners. Journal of Marriage and the Family 55(4), 875- 888.

Loscocco, K., J. Robinson, R. Hall, and J. Allen. (1991). Gender and small business success: An inquiry into women's relative disadvantage. Social Forces, 70,65- 85.

Lumpkin, J., and R. Ireland. (1988). Screening practices of new business incubators: The evaluation of critical success factors. American Journal of Small Business, 12(Spring), 59-91.

Lussier, R., and J. Corman. (1995). There are few differences between successful and failed small businesses. Journal of Small Business Strategy, 6(1), 21-33.

Mintzberg, H. (1994). That's not turbulence, it's really opportunity. Planning Review, 22(6), 7-9.

Montagno, R., D. Kuratko, and J. Scarcella. (1986). Perceptions of entrepreneurial success characteristics. American Journal of Small Business, 10(Winter), 25-43.

National Foundation for Women Business Owners. (1995). Women owned businesses: Breaking the boundaries-progress and achievement of womenowned enterprises. Silver Spring, MD.

Ponthieu, L., and R. Insley. (1996). Rethinking the effects of small business failure. Journal of Business and Entrepreneurship, 8(1), 32-42.

Romano, C. (1994). It looks like men are from mars, women are from venus. Management Review, 83(10),7.

Shonesy, L., and R. Gulbro. (1998). Small business success: A review of the literature. Academy of Entrepreneurship Journal, 4(2), 23-30.

Susbauer, J., and R. Baker. (1989). Strategies for successful entrepreneurial ventures. Journal of Business and Entrepreneurship, I (October), 56-66.

U.S. Department of Labor. (1995). Employment and Earnings. Washington, DC Government Printing Office.

Zetlin, M. (1994). Off the beaten path: What must new age entrepreneurs do to succeed? Management Review, 83(12), 28-31.

Table 1

KEY CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURSHIPS	
Characteristic	Replies
Confidence	4
Good work ethic	3
Risk taker	2
Creative	2
Experience in field	1
KEY CHARACTERISTICS OF A SUCCESSFUL BUSINESS	
Characteristics	Replies
Stability/longevity	3
Good customer service	2
Finding/filling a market need	2
Flexible employees	2
Profitability	2
Good management	1
KEY STRATEGIES FOR BUSINESS SUCCESS/SURVIVAL	
Strategies	Replies
Marketing innovation/creativity	4
Being flexible	2
Good planning	2
Finding a market niche	2
Employee empowerment	1
Staying ahead of the competition	1