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# Factors Affecting Business Performance of Women-Owned Small and Medium Enterprises in Vietnam: A Quantitative Study

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## Abstract

This paper explores the key factors influencing the business performance of enterprises, specifically women-owned small and medium enterprises (SMEs) in Vietnam. The extant literature on factors affecting the business performance of women-owned SMEs in Vietnam is still quite scarce. The researchers used a self-administered questionnaire to achieve a sample of 265 female SME owners in Vietnam to find these factors. The obtained data was analyzed by using SPSS 20.0. Cronbach's  $\alpha$  test and factor analysis have been carried out to test the reliability of data and validate the hypothesis. The results showed that these enterprises' performances had a significant positive relationship with the business management competencies of the directors of the business, quality of human resources, financial access, socio-cultural factors, and government policy. Also, the study showed no relationship between the enterprise's business network and business performance. The results suggest that female business owners should improve their business management capacity, focusing on training activities to improve the quality of human resources of enterprises. The Government needs policies to support small and medium enterprises in accessing financial and other resources and propagate to reduce gender stereotypes.

**Keywords:** Business Management, Business Performance, Women-Owned SME, Vietnam

**JEL Classification Code:** B54, B55, D85, M10

## 1. Introduction

In Vietnam, SMEs account for 98% of the total number of operating businesses. They are considered a vital force in economic development, creating more than 5 million jobs and contributing nearly 50% of its total GDP (Ministry of Planning and Investment, 2021). Of the total number of active SMEs, women-owned SMEs account for about 26.5% and play an essential role in the country's economy,

such as creating jobs, increasing incomes for workers, reducing poverty, and promoting economic growth (VCCI, 2021). From the perspective of social development, women-owned SMEs contribute to increasing the status of women, increasing investment in the health and education of children, especially girls, increasing social welfare, and potential for future economic growth. The participation of women in economic activities also promotes the implementation of the Sustainable Development Goals on gender equality (IFC, 2017). Although the number of women-owned SMEs has increased significantly over the years, the performance results have not yet matched their potential. Compared to male-owned businesses, women-owned businesses tend to be smaller, less profitable, grow more slowly, and have higher closing rates (Ling & Ho, 2020; VCCI, 2021). In addition, women-owned SMEs have disadvantages such as difficulty in accessing finance due to lack of collateral, work-family balance, and prejudice about the ability women's entrepreneurship, and this may reduce the contribution of these enterprises to economic growth as well as social development (UN Women, 2016; VCCI, 2021).

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Research on factors affecting the performance of women-owned SMEs is important content; however, it is still relatively modest in developing countries (Siba, 2019). Research on women-owned enterprises accounts for less than 10% of all research conducted in the economic sector (Brush & Cooper, 2012). In Viet Nam, studies only describe the development situation, which emphasizes difficulties and barriers to development and partly refers to the need for support; there has not been any research on the factors affecting the business performance of women-owned SMEs (VCCI, 2021). This study aims to close the research gap related to women-owned SMEs by investigating the factors affecting the business performance of women-owned SMEs in Vietnam, clarifying operating status, and at the same time pointing out the key factors influencing the business performance of these enterprises among Business management competencies of business owners, Human resources, access to finance, Business network, Socio-cultural factors, Government policy.

## 2. Literature Review and Hypothesis Development

This section focuses on the literature review on the factors influencing the outcomes of women-owned SMEs and hypothesis building based on previous studies and actual situations in the study area.

### 2.1. Determinants of Business Performance

- **Business Management Competencies of Business Owners**

Any organization needs a leader who sets the goals, and strategies, chooses products/services to provide, and markets (Alhnaity et al., 2018). In essence, with his ideas, way of thinking, social capital, and attitude, the owner will lead the business of SMEs like a ship that needs a captain.

Resource-Based View (RBV) holds that entrepreneurial competence is seen as a valuable and rare resource that is difficult for competitors to copy or imitate, contributing to creating sustainable competitive advantages and added value for businesses (Mashene, 2020). There have also been many studies that have established the relationship between management competencies and the business performance of enterprises (Roy et al., 2017; Gupta & Mirchandani, 2018; Qalati et al., 2021; Pramono et al., 2021). Studies show that entrepreneurs direct and act to lead business activities of enterprises; Their business decisions are influenced by personal characteristics, knowledge, skills, and abilities. Therefore, entrepreneurs must have diverse and integrated knowledge and skills to fulfill their complex roles in the business (Raheem, 2019). The leader must simultaneously

take on three essential roles as entrepreneurs, managers, and specialists to optimize the use of internal resources of the company to achieve business success (Jasra et al., 2011). Business owners also need the acumen to recognize opportunities as well as anticipate challenges to proactively build effective business strategies to achieve set goals (Smitha & Mendon, 2019).

*H1: The business management competencies of the business owner have a positive impact on the business performance of the enterprise.*

- **Human Resources**

Human resources are the most important and decisive in the growth and development of enterprises (Jenkins & Katircioğlu, 2007; Aruna & Sunil, 2020). A business with a skilled and well-trained workforce has a higher capacity to learn and innovate, generating higher business efficiency. In contrast, low-skilled labor is the main impediment to the development of SMEs in developing countries. With the outstanding feature of not being exhausted if it is properly fostered, exploited, and used, the quality of the workforce is a criterion to evaluate the strength of the enterprise. However, women-owned SMEs often find it difficult to secure jobs and retain top talent, which is a challenge due to the high financial impact of paying and training those workers (VCCI, 2021). The process of recruiting highly skilled human resources is also resource and time-consuming, which can be inconvenient for SMEs. SMEs should manage their existing staff well through employee orientation to create a higher level of job satisfaction and increase employee loyalty to the business. Businesses that invest in the proper recruitment and orientation often win the trust and appreciation of their employees, which in turn improves motivation and performance.

*H2: The quality of the workforce in the enterprise has a positive impact on the business performance of the enterprise.*

- **Financial Access**

Besides human resources, financial resources are identified as one of the most critical factors determining the performance of an enterprise (Ongachi & Bwisa, 2013; Aruna & Sunil, 2020). Financial resources are the basis for enterprises to develop products, expand production scale according to market demand, and overcome obstacles in business (Radzi et al., 2017). Furthermore, Dyer et al. (2014) argued that finance in the early years of a business's development is especially important because it offers various advantages such as exploiting resource-rich niches, maintaining R&D activities, product development,

and advertising, and recruitment of high-quality human resources. According to Alene (2020a), capital-constrained enterprises have lower returns on initial business investment, and their survival rate is lower than those with sufficient capital. This means that businesses in general and women-owned businesses with access to finance have a better chance of maximizing profits than women-owned businesses with limited access to finance.

Most businesses use a vast amount of capital, but not their capital, mostly borrowed capital from outside (Gupta & Mirchandani, 2018). Therefore, the enterprise's ability to access financial resources reflects the total synergy of the enterprise through the amount of capital that can mobilize into the business, distribute investment effectively, raise capital, and carry out business activities more efficiently. Access to capital is also one of the essential resources in SMEs, but it remains a challenge for women-owned businesses (Mandawa, 2016; Aruna & Sunil, 2020; VCCI, 2021; Luc, 2018). Some difficulties women-owned businesses face in accessing capital include lack of information on obtaining loans, lack of collateral, cumbersome procedures, high-interest rates, or financial and credit-related discrimination (Ramli & Razali, 2019). This is considered one of the main causes of business failure and a significant obstacle to business growth (Alene, 2020b). Therefore, financial capital represents an important premise for the operation of the business.

**H3:** *Financial access has a positive impact on the business performance of enterprises.*

- **Business Network**

A business network is a collection of business relationships formed from commitments together to achieve results that are beneficial to their business. The business network consists of resources and capabilities that can be considered an important success factor for the company. Furthermore, networks are places where entrepreneurs meet entrepreneurs or other stakeholders and form synergies that benefit the functions of their businesses (Wambui & Muathe, 2021).

Kariuki (2015) emphasizes that business networking plays an important role in the performance of women-owned businesses. De Silva and Wijewardene (2019) believed that when women join business networks and organizations, they create strong relationships with business partners as well as find like-minded friends who will support their morale, this has a great influence on the working efficiency as well as the business performance of their firms. According to Zipprah (2018), a business owner's network is very important and a source of contribution to the success of the organization. Personal relationships play an important role in shaping a business's bottom line and can smooth the progress of a

business plan at an early stage by making it easier to access financial resources, information, customers, suppliers, and useful advice (Vu et al., 2021). Entrepreneurial networks have a positive effect on profitability, while network density and differentiation have a positive effect on firm performance (Nyangarika, 2016); support from a personal network improves the chances of survival, growth, and performance of new business ventures (Laudon & Laudon, 2008).

Although many organizations and associations for women entrepreneurs have been established, because women are often overloaded with household chores, they have not been able to participate. They have not taken full advantage of the benefits brought by these organizations. This situation leads to a meager ability of female entrepreneurs to seek advice and informal financing as well as the information networks necessary to survive and thrive. This can pose a challenge for female entrepreneurs in establishing networks that are useful for the survival of their businesses (VCCI, 2021).

**H4:** *The business network has a positive impact on the business performance of enterprises.*

- **Socio-Cultural Factors**

The socio-cultural environment includes a mix of cultural and social factors, all of which are not present in the economy or political system (Johnson et al., 2013). Culture is related to economic behavior and business performance (Gaganis et al., 2019). According to Mbiti et al. (2015), enterprises' business is influenced by the traditions, beliefs, and practices in which they operate. Some women business owners, especially those in industries with a low concentration of female business owners and female workers, face gender discrimination and sometimes feel the need to adopt a more serious, tougher at work. Men often have higher consent and support from family members (including their partners) for business than women (Amu, 2015). Furthermore, radical feminists have more faith in the success of male-owned businesses than in women-owned businesses because they perceive women as weak and quickly giving up. Along with the responsibilities of having children and taking care of children and families, they have less time to spend on business activities (Thaer et al., 2021). Guled and Kaplan (2018) pointed out that the responsibility of women in the family significantly negatively affects the business performance of enterprises. The above studies agree with the study of Balakrishnan and Low (2016) when demonstrating that socio-cultural factors (religion, family, etc.) influence the decision-making and success of female entrepreneurs in developing economies.

**H5:** *Socio-cultural factors have a positive impact on the business performance of enterprises.*

- **Government Policy**

Businesses do not operate alone but must operate in an environment with many fluctuations and affected by many factors. One of those factors is government policies. Enterprises must always comply with the provisions of the Enterprise Law, the provisions of the law, and the State's policies. Appropriate legal policies will facilitate and ensure strict, economical, and effective management, on the contrary, it will cause difficulties in the management and development of the enterprise system of competent state agencies (Ismanu & Kusmintarti, 2020). At the same time, creating a fair and healthy competitive environment between employers and employees, individuals and organizations and businesses. The Government plays an important role in creating an attractive political and investment climate for women-owned SMEs and the enterprise system in general. Government support such as aid provision, funds, training projects, and tax relief can play an essential role in the success of women-owned businesses (Guled & Kaplan, 2018).

In Vietnam in recent years, the Government has also issued many policies to promote business development, including policies specifically for women-owned businesses to reduce operational risk and eliminate scarcity of resources. Government support contributes significantly to the success of women-owned SMEs (VCCI, 2021). However, it is still difficult for some businesses to access government support policies due to cumbersome and confusing procedures and regulations, leading to the low effectiveness of some policies. Besides, many SMEs do not know how to apply for government support, they only trust their suggestions and find others to help them get government support. Moreover, many previous studies have shown that women-owned SMEs still do not fully understand the State's incentives, so they do not have a method to access such incentives (VCCI, 2021).

**H6:** *Government policy has a positive impact on the business performance of enterprises.*

- **Business Performance**

There are two methods to measure business performance, using primary and secondary data (Anggadwita & Mustafid, 2014). Each method has its pros and cons, specific numbers clearly show the objective measurement method, but the disadvantage is that the numbers of revenue and profit are often made beautiful by companies before publication, so it often does not accurately reflect the actual situation of the business (Kaplan & Norton, 1998; Murphy & Callaway, 2004) while the subjective measurement method, although still has some potential errors (Keh et al., 2007) in many cases, it is still more feasible, for example in a cross-sectional study, the profitability of firms in different industries cannot be

compared due to differences in levels capital intensity (Anggadwita & Mustafid, 2014).

In this study, the authors use a group of qualitative and quantitative indicators based on the BSC model of Kaplan and Norton (1998) as one of the comprehensive measurement methods of enterprise activities, including revenue, profit, market share, customer satisfaction, employee satisfaction, product and service diversification, professionalism in business organization and operation, digital transformation ability in the business.

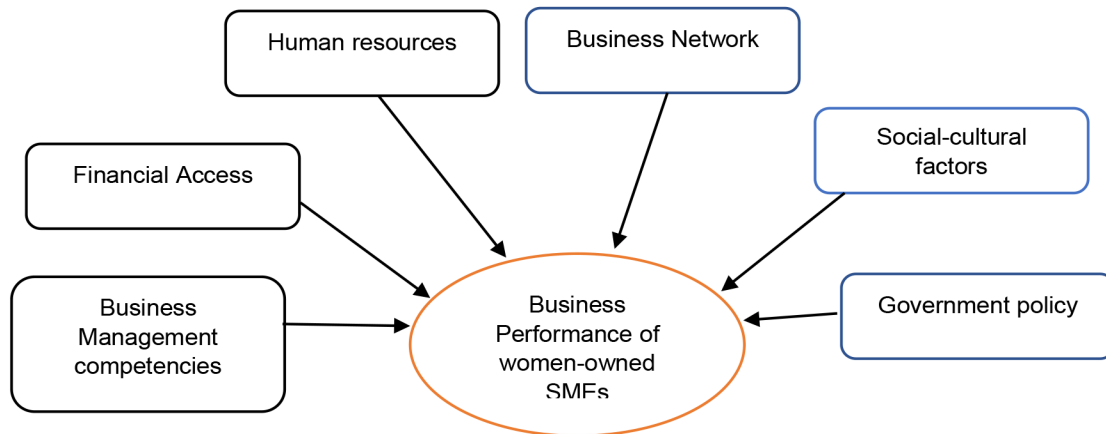
## 2.2. Research Framework

This study examines the hypothetical relationship between influencing factors as independent variables and the business performance of women-owned SMEs as a dependent variable. Seven measured variables include business performance of enterprises, business management competencies, access to finance, human resource, business network, social-cultural factors, and government policy. The dependent variable, i.e., business performance of the firms, is covered in all four aspects of BSC, including finance, customers, internal processes, training, and development. Therefore, the following conceptual model is used in this study (Figure 1).

## 3. Research Methods

The present study aims to identify the factors affecting the performance of women-owned small and medium enterprises in Vietnam. Data was collected from female entrepreneurs using a Likert-based questionnaire, ranging from strongly disagree (1) to strongly agree (5). The constructs used in this study were adopted from the literature and adapted to suit the context of the study. Business management competence was measured using five items adjusted from scales developed by Radzi et al. (2017) and Hasan and Almubarak (2016). These categories measure the competence of SME owners through ambition, self-control, leadership skills, and responsiveness. Meanwhile, five items measuring human resource quality have been adjusted by Mashene and Kumburu (2020). These scales measured the qualifications and skills of the workforce as well as the improvement of post-training labor efficiency of the subjects. Five measures of financial access were adapted from Radzi et al. (2017). The scale of access to financial resources reflected the financial capacity of the enterprise as well as the external supply that the enterprise could access when needed. The five business networking items were based on a scale developed by Mozumdar et al. (2019) and expert interviews. These five categories indicated the presence of organizations and networks for women entrepreneurs, the frequency of participation, and the





**Figure 1:** Conceptual Framework

benefits that entrepreneurs could derive from joining the networks. Next, four items on socio-cultural factors were developed based on the scale of Hopp and Stephan (2012) and Naser et al. (2012). These items determined the level of support from family members to do business and whether there were discriminatory situations in business activities. Finally, six items on government policy were developed from Nguyen et al. (2018) and Gupta and Mirchandani (2018) scale. These sections showed the presence of government-issued policies and the benefits that policies bring to businesses.

The target subject of this study was female entrepreneurs who were owners and operators of SMEs in Vietnam; they were the most understanding of the factors affecting the operation of enterprises (Baer & Frese, 2003). The survey questionnaire was entered and sent via Google docs software to the email of the survey subjects. Before sending the questionnaire, the authors contacted first by phone and got the consent of the survey subjects. The survey was conducted over the Internet to reduce costs, increased sample size, improve accessibility to groups that were difficult to reach directly, and enhance interoperability (Stanton & Rogelberg, 2001).

The study used exploratory factor analysis (EFA) so it required at least 05 observations for 1 variable (Hair, et al. 2010). The study has 06 scales with 35 observed variables, so the minimum sample size is  $35 * 5 = 175$  observations. A total of 350 questionnaire copies were sent, and the number of responses received and suitable for analysis was 265 (75.71%), so it was satisfactory.

The study uses a stratified probability sampling method and sample size distribution structure according to the number of enterprises in each business field. After collecting data from survey subjects, it is coded, cleaned, and analyzed by SPSS 20.0 software through the following steps: Examine the demographic profile of respondents

through frequencies and descriptive statistics, assessing the reliability of the scale through Cronbach's Alpha coefficient, exploratory factor analysis (EFA), analysis of regression models and testing of research hypotheses.

## 4. Results and Discussion

### 4.1. Descriptive Statistics

The preliminary statistical results showed that the respondents aged 36–45 years old accounted for the highest proportion (44.9%), the group under 25 years old accounted for the lowest rate (1.89%); the majority of business owners are married (accounting for 80%); 54.72% of the female entrepreneurs who responded had a university degree or higher, of which 12.83% have a Master's degree, only 1.89% completed lower secondary schools and started a business at a very young age; 55.47% of enterprises owned by women respondents were operating in the field of commerce and services, 19.62% of enterprises in the field of agriculture, forestry and fishery, 17.36% of enterprises in the field of industry and construction and the remaining 7.55% went to other sectors; business owners who responded that were established from 6–10 years accounted for the largest proportion (38.87%), followed by enterprises operating from 11–20 years accounted for 31.7%; the number of enterprises over 20 years old accounted for only 8.3%.

### 4.2. Reliability of the Scale

According to Churchill (1979), for this type of exploratory research, the Cronbach's alpha ( $\alpha$ ) value of 0.60 or more is acceptable. The results indicated that the reliabilities were high because Cronbach's alpha ( $\alpha$ ) was greater than 0.70 (see Table 2).

**Table 1:** Demographic Profile of Respondents

Variables	Group	N	%
<b>Age</b>		265	100
	18–25	5	1.89
	26–35	98	36.98
	36–45	119	44.9
	46 years or above	43	16.22
<b>Marital Status</b>			
	Single	53	20
	Married	212	80
<b>Highest Education Completed</b>			
	High school	5	1.89
	Diploma	54	20.38
	Bachelor	145	54.72
	Master	34	12.83
	Other	27	10.19
<b>Type of Business</b>			
	Trade and services	147	55.47
	Industry and construction	46	17.36
	Agriculture, forestry, and fishery	52	19.62
	Others	20	7.55
<b>Length of Time with the Organization</b>			
	5 years	56	21.13
	6–10 years	103	38.87
	11–20 years	84	31.7
	21 years above	22	8.3

**Table 2:** The Results of the Cronbach Alpha Analysis

Factors	Number of Variables	Cronbach's Alpha	Mean	SD
Business Management competencies (BMC)	5	0.836	3.1653	0.66674
Human resources (HR)	5	0.858	2.9872	0.53991
Financial Access (FA)	5	0.743	3.1915	0.49560
Business network (BN)	5	0.899	2.7864	0.54672
Social-cultural factors (SCF)	4	0.847	2.9358	0.51872
Government policies (GP)	6	0.862	3.0560	0.49376
Business Performance (BPE)	4	0.788	2.9849	0.38956

The results on the mean value of the factors ranged from 2.9358 to 3.1915, in which the lowest was Socio-cultural factors and the highest was Financial accessibility with a standard deviation from 0.38956 to 0.66674. This shows that most of the respondents in this study did not appreciate the status of the factors (moderate to good agreement) for most of the items measuring the factors affecting the business performance of the enterprise. Therefore, it was necessary to have many policies and solutions to improve these factors. The standard deviation value ranged from 0.38956 to 0.66674, indicating no significant difference in ratings between the participants.

### 4.3. Exploratory Factor Analysis (EFA)

When conducting factor analysis, the authors used the Extraction method of Principal components factoring with varimax rotation to discover the latent sizes of a set of indexes in the survey.

The results of KMO and Bartlett's Test show that this database was completely suitable because the test value was 0.731 (between 0.5 and 1) with a statistical significance level of 99%. ( $p < 0.01$ ). This shows that the factor analysis technique was completely applicable in this study, with an appropriately selected and large sample size ( $N = 265$ ).

Results of analysis of factors, including 1 dependent factor and 6 independent factors. All 6 influencing factors were used and influential because the composite variance (Eigenvalues = 1,196) satisfied the condition  $> 1$ ; total variance extracted = 64.861%  $> 50\%$ . No new

groups of variables appeared during the exploratory factor analysis (EFA).

### 4.4. Regression Analysis Results

In the model, the independent variable includes 6 factors (business management competencies, quality of human resources, financial access, business network, socio-cultural factors, government policy), and the dependent variable is the business performance of the enterprise. After using SPSS 20.0 software to analyze the results as follows (Table 3).

The obtained results show the significance level is very small ( $p < 0.01$ ) and the coefficient of determination  $R^2 = 0.525$  (adjusted  $R^2 = 0.513$ ) proved the fit of the model; that is, over 51.3% of the business performance of enterprises were explained by 6 groups of factors given in the model. In general, the higher the coefficient of determination  $R^2$  the more significant it is, and usually, a model fit of 50% or more is acceptable; Therefore, with an impact level of more than 51.3%, it was meaningful in both theories and practice to continue researching and proposing recommendations to improve business performance. Durbin-Watson coefficient = 2,399 ( $> 1$ ) indicates that there was no autocorrelation between variables (Table 4).

From the analysis results, we can write the regression equation as follows:

$$\text{BPE} = 0.358\text{BMC} + 0.260\text{HR} + 0.323\text{FA} + 0.241\text{SCF} + 0.192\text{GP} + u$$

**Table 3:** Model Summary

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate
1	0.724 <sup>a</sup>	0.525	0.513	0.25350

**Table 4:** Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Hypothesis Results
	B	Std. Error	Beta			
(Constant)	-0.072	0.198		-0.364	0.716	
BMC	0.223	0.027	0.358	8.236	0.000	Supported
HR	0.178	0.030	0.260	5.954	0.000	Supported
FA	0.256	0.035	0.323	7.211	0.000	Supported
BN	0.050	0.030	0.075	1.669	0.096	Not Supported
SCF	0.169	0.032	0.241	5.270	0.000	Supported
GP	0.141	0.033	0.192	4.322	0.000	Supported

Thus, according to the analysis results in the table above, out of the 6 groups of factors selected, it was the business network factor that did not affect the business performance of the enterprise due to the Significance value ( $p > 0.05$ ), and the remaining 5 groups of factors had a positive impact on business performance of enterprises. The importance of each factor depended on the standardized Beta coefficient (in terms of the absolute value of the coefficient), or which factor had a larger standardized Beta coefficient had a stronger impact on the business performance of the enterprise.

Of all factors, the factor of the owner's business management competencies had the strongest impact, with a standardized correlation coefficient of 0.358. This means that when changing one more point of the owner's business management competencies, the business performance of the enterprise would increase by 0.358 points, followed by Financial Access with the second-largest impact with a normalized correlation coefficient of 0.323. The factor belonging to Quality of human resources, with the third-largest impact with a standardized correlation coefficient of 0.260. Socio-cultural factors had the fourth level of impact with a standardized correlation coefficient of 0.241. The government Policy factor had the lowest impact, with a standardized correlation coefficient of 0.192.

Regarding the establishment of validity and reliability, the proposed hypothesis was tested. The results show that the model's predictive accuracy was 0.513, showing that the model could achieve 51.3% of the variance in the business performance variable of the enterprise. The results show a significant influence of five groups of factors on the business performance of women-owned SMEs. Therefore, five out of six hypotheses were accepted at a high level of significance ( $p < 0.01$ ).

#### 4.5. Discussion

The attempt of this study was to identify the factors that affected the business performance of women-owned SMEs. This was an extension of previous research efforts undertaken specifically in Vietnam related to women-owned businesses. We tried to explore the main factors influencing the business performance of women-owned SMEs in Vietnam.

The results of the questionnaire analysis show that the business management competencies of the CEO have the strongest impact on the business performance of women-owned SMEs, followed by financial access, quality of human resources, socio-cultural factors, and finally the policy of the Government. However, this study did not find a link between business networks and the business performance of the enterprises. This result reflected that Vietnamese enterprises, especially women-owned SMEs, rarely participated in associations, organizations, or business networks. This

result is supported by the study by the Vietnam Chamber of Commerce and Industry (VCCI, 2021).

Business management competencies were found strongest impact on the performance of WOBs in Vietnam. This result was similar to studies by Gupta and Mirchandani (2018) and Qalati et al. (2021). Therefore, the female business owner herself needs to actively improve her competencies to be able to manage and operate the business in the best way.

Besides the business management competencies of the business owner, this study also proved that the quality of human resources also had a significant impact on the business performance of the enterprises. This result was similar to the research results of Mashene and Kumburu (2020). However, the reality shows that women-owned SMEs in Vietnam often face difficulties in recruiting and retaining high-quality human resources due to limited financial resources.

Financial access is an important resource for any business (Alene, 2020a). SMEs often face limited access to finance (Thaier et al., 2021), which makes it difficult to organize their production and business activities. This research effort has also highlighted the fact that access to financial resources has a significant influence on a firm's business performance.

This study provided sufficient empirical evidence to support the association between socio-cultural factors and corporate performance. This result was similar to the study results of Khan et al. (2021) when finding a positive relationship between socio-cultural factors and business results of the enterprise, but in contrast to the research results of IFC (2011) and Majenga and Mashene (2014) when these studies suggest that socio-cultural factors negatively affect to the business performance of women-owned SMEs. Social prejudices and conceptions in life significantly affect women's business activities positively or negatively.

Government policy was also found to have a relationship with firm performance. The Government sets out policies such as taxes, business registration conditions, borrowing policies from the state budget, etc. These policies can either promote or hinder businesses from operating. However, most of the policies enacted by the Government are aimed at helping businesses operate effectively.

#### 5. Conclusion

The results of this study show that the business management competencies of the business owner, the quality of human resources, the accessibility to finance, the socio-cultural factors, and the Government's policy have a positive impact on the business performance of women-owned SMEs in Vietnam. This result is consistent with previous studies performed by Naser et al. (2012) and Shakeel et al. (2020). Business owners believe that their business management competencies have the strongest impact, followed by



financial access, quality of human resources, socio-cultural factors, and finally, the policy of the Government. However, this study also found no relationship between business networks and the performance of the enterprises.

Based on the findings of this study, the authors would like to make some recommendations for government agencies, banks and financial institutions, and female SME directors. Specifically, business owners themselves need to be proactive and active in improving their qualifications; the Government should focus on education and training programs to create a management knowledge base for business owners; Enterprises need to develop a business strategy to which special attention should be paid to the formulation of a strategy for human resource development; Banks and financial institutions need to simplify loan procedures to secure credit and also by charging a minimum interest rate for businesses. In addition, to limit the views and prejudices of the society towards women and women-owned businesses, the Government should have policies and strategies to promote members of society to create favorable conditions for women to effectively fulfill the roles of wives, mothers, and business managers. The Government needs more policies to support women-owned businesses, simplify administrative procedures in business registration, access to capital, and access to premises and information.

Since this study only focused on women-owned SMEs in general, comparative studies should consider women-owned SMEs in specific business sectors to obtain insight into the factors affecting the operation of the business. Alternatively, the study could also be extended to male-owned SMEs and draw comparisons. Finally, while we examine women-owned businesses at a time, an extended period of time provides greater insight into their performance over time.

The study has some limits as to its potential for generalization owing to the sample size, wide geographic spread of respondents, and time limitations of the respondents.

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