

## **Women Involvement in Small Scale Business: A Study of Women in Canteen Business in Ovia North East Local Government, Benin City, Edo State**

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### **Abstract**

This study focused on women involvement in small scale business in Ovia North East Local Government Area, Benin City, Edo State. Creation of platforms and networks for entrepreneurial culture is a prominent issue globally. However, in most societies, women are considered as weaker gender physically and emotionally, therefore prospects open to them to develop into business is an area still quite unexplored and needs attention. This study therefore investigated the socio-demographic characteristics of women in small scale business, specifically the canteen business, as well as the factors that led to their involvement in the business. It also examined the benefits derived as well as the challenges faced in the canteen business. The result of the study showed that majority of the respondents were influenced by the desire to provide for their needs as well as those of their family members. It also revealed that respondents derived several benefits from the canteen business with a greater percentage indicating that they derived a stable income from the business. However, respondents still asserted that they have encountered challenges since they started the business with inadequate finance. This has emerged as the most identified challenge. Based on these findings, the study recommended among others. Increased funding for female owned businesses with several channels created for access to finance should be encouraged.

**Keywords:** Canteen, Women, Rational choice theory, Small scale business

### **Introduction**

Across the globe, generations of women from very different backgrounds show very encouraging sign of entrepreneurial spirit. Women entrepreneurs have hidden potentials that are revealed due to economic conditions and the demanding role placed on them by the society (Pareek & Bagrecha, 2017). Low-income countries favour necessity entrepreneurship as a motivational factor for women entrepreneurs in the creation of new business ventures. Such business ventures represent a useful and tangible way for women irrespective of belonging to any particular group to empower themselves and provide for their families. Developing and developed nations have therefore realized that developing women entrepreneurship is indispensable to flourish as economically-dominant nations in the modern high-tech world. Therefore, the creation of platforms and networks for entrepreneurial culture is a prominent issue globally. Women are increasingly seen, by men as

well as women, as active agents of change: the dynamic promoters of social transformations that can alter the lives of both women and men”. Moreover, he points out that an increase in women’s participation does not only generate results for women in general or a reward on its own merit but it also provides social benefits as women are a major influence on social change, innovation and the development process (Demetria, 2019).

### **Statement of the problem**

It is common knowledge that women are the dominant members of the informal economy and are less represented as owners of formal enterprises (International Labour Organization, 2002). However, in most societies, women are considered as the weaker gender physically and emotionally, therefore, prospects open to them to develop into business is an area still quite unexplored and needs attention (Wennekers & Thurik, 1999). In order to overcome this impediment, women-entrepreneurs have the power of diverting the forces towards development and progression by putting in their own potentials and skills to improve economic conditions of their country (Powell & Eddleston, 2008). It may be that gender differences exist because of the different journeys taken into business start-up and growth by women and men, which in turn reflect the different contexts, responsibilities and power relations in their lives. It can thus be said that women’s businesses are primarily micro rather than small enterprises. The main reasons behind this are that women are seen to have “inappropriate attitudes” towards their business, are “risk-averse” and are not “growth-oriented” business owners (Zewde, 2002). Nevertheless, the central focus of this study is to examine the involvement of women in small and medium scale enterprises, specifically female owners of canteens. The study is therefore guided by the following research questions:

- i. What factors influence women to engage in canteen business in Ovia North East Local Government, Benin City, Edo State?
- ii. What benefits do women derive from operating the canteen business in Ovia North East Local Government, Benin City, Edo State?
- iii. What are the challenges encountered by women in canteen business in Ovia North East Local Government, Benin City, Edo State?

### **Conceptual Clarifications**

**Women in Business:** The art of women participating in small and large scale industry for the purpose of individual and economic growth. Women have become engines for economic growth. Achieving gender diversity in enterprises is of critical importance to improving business outcomes

**Small Scale Business:** Small-scale business is typically described as an enterprise with a small number of employees, a relatively low sales volume, and is usually privately owned with most of the profits going to the owner.

## **Women and Small Scale Business**

The use of the noun “women-entrepreneur” is associated with informal and part-time operations. This is where the owner is not a “real” entrepreneur but is “pushed into” business as a “no choice” option for escaping from poverty (Zewde, 2002). According to Nawaz (2010) women-entrepreneurs are “women who innovate, imitate or adopt a business activity”. Ahmed (2011) also argued that women-entrepreneurs are women who play significant role in fostering economic and social development, especially in the small business sector.

Different factors influence the growth of women’s small-scale enterprises. The ages of their children, availability of government support, and presence of role model or mentoring, informal networks among others impede or facilitate women’s ability to build their businesses. According to Chea (2009) innovativeness and risk-taking have been considered as significant factors that contribute to the success of the male-owned small-scale businesses. However, the female-owned small-scale business often lacks government support, ability to be innovative and risk-taking.

Heilman and Chen (2003) as well as Botha (2006) argued that various push and pull factors exist that can motivate women to start their own businesses. Maas and Herrington (2006) defined push factors as the more negative factors, such as unemployment and retrenchment, which force people to become entrepreneurial in order to survive. They regard pull factors to be the positive factors, such as government support as a career option. Push factors as explained by Gnanadhas and Jesurajan (2011) refer to factors that encourage women to start business enterprises driven by financial need because of family state of affairs. According to Ali and Ali (2013) push factors are factors such as insufficient family income, dissatisfaction with a salaried job, difficulty in finding work and a need for flexible work schedule because of the responsibility of the family while pull factors are the factors associated to the independence, fulfilment, entrepreneurial drive and desire for wealth, social status and power. Women-entrepreneurs do business for daily food, pleasure for work and benefiting the free time. Role model, prior developments, skills they got before the establishment of the business, easy capital gain, helping hand from relatives and friend and availability of equipment’s are the factors motivated women to start the businesses (ILO, 2002).

A study conducted by Gadar and Yunus (2009) revealed that women entrepreneurs are motivated by the need of economic freedom, ability to do both business and family affairs, to become decision-maker on the business, unwilling to do salaried work and boredom on previous salaried work. In Tanzania, women-entrepreneurs are motivated by push and pull factors. Push factors are to get money to cover the basic needs of the family, to increase the level of her income and contribute to her family, to make herself busy and be away from home and neighbours’ conflicts and disagreements. On the other hand, pull factors are to do something to manage, to improve her societal reputation, to balance work and household contacts, to use income from charity organizations (ILO, 2002).

There is a growing realization that both quantity and quality of women-entrepreneurs is of utmost significance for achieving the goal of economic development. Anjula and Colin (2011) explained

why women-entrepreneurs entered into business. They mentioned in their study about women-entrepreneurs in Indian informal sectors that women look for it as an easy means of employment, lack of competition from large groups and ease of entry, difficulty in finding white-collar jobs, tradition among the places and people around, and changeable work format. Women-entrepreneurs should therefore, be exposed to entrepreneurship orientation and training, modern technology and efforts should be made to encourage entrepreneurial activities especially where it is restricted through religious and ethnic practices.

### **Theoretical Framework**

This study adopted the Rational Choice Theory (RCT) as its theoretical framework. According to Ritzer (2008), the names most associated with rational choice theory are George Homans and Peter Blau. Both scholars examine social exchange and the benefits and costs of alternative courses of action. The central idea in the rational choice theory (RTC) is that people tend to make choices in a way that maximizes their advantage while minimizing the cost. It is mostly used to describe phenomena as varied as voting tendency, consumerism, and business decisions (Abell, 2000). At its core, RTC postulates that when making a decision, people first weigh the likely positive benefits against likely negative consequences or costs, and then base their choice on what they think will ultimately benefit them the most.

RCT is the view that people behave as they do because they believe that performing their chosen actions has more benefits than costs. That is, people make rational choices based on their goals, and those choices govern their behaviour. The focus of rational choice theory is on actors. Actors are seen as being purposive or as having intentions. They are human with drive and always having goals to pursue (Ritzer, 2008). That is, actors have ends or goals toward which their actions are directed or aimed. Whatever an actor does has been done out of a calculation of what would probably be the result of the action. Everything he does is for a certain purpose. For instance, women in canteen business are not in such business out of error but rather each of them must have weighed the costs and benefits involved. This is a rational choice.

Also, actors are seen as having preferences, values or utilities. But in rational choice theory, the concern is not the preferences of values; what is important as far as rational choice theory is concerned in the action that is being taken to achieve that are consistent with the preferences of the actor in order of importance (Archer & Tritter, 2000). Even though rational choice theory starts with the intentions of the actor, it must at the same time take into consideration two certain factors that tend to influence the action of the actor. One of the factors is the scarcity of the resources i.e. the means of achieving the goal. Actors have different resources as well as differential access to other resources. The actors that tend to have lot of resources are likely to find achieving their goal very easy while those with fewer or no resources may find attainment very difficult or impossible. The second source of constraints on individual action is social institutions (Ritzer, 2008). An individual tends to find his or her actions checked from birth to death by familial and certain rules,

policies, laws and ordinances in different institutions such as the school, churches, mosques, and other formal organizations.

In applying this theory to the study, it is important to note that Rational choice theory postulates that when making a decision, people first weigh the likely positive benefits against likely negative consequences or costs and then base their choice on what they think will ultimately benefit them the most. Women in canteen business are not in such business out of error but rather each of them must have weighed the costs and benefits involved. Having weighed the challenges embedded in the business, they perceived the benefits they would derive such as financial independence, employment opportunities, ownership of various assets and many more benefits supersede the costs (in form of challenges) hence, the decision to engage in the business. Women who are in canteen business have goals toward which their actions are directed; and they are self-interested people who only think of what they want to gain from their action. They might have made certain rational considerations before embarking on such business. These women have goals and having rationally considered the goal, it seems to outweigh what they probably would lose at the end of the day. However, even within the human groups, there are still some irrational or non-rational behaviors. An individual is expected to hold and practice a set of action considered as rational and jettisoned those ones regarded by the society as irrational, hence, any behavior or action that contradicts the societal norms and values is regarded as irrational/ non-rational.

## **Methodology**

The study adopted survey design to collect quantitative data from female owners of food canteens as well as their workers. In addition to the survey method, the study complemented quantitative research with in-depth interview with female owners of food canteens. The utilization of two methods is to remove bias and enrich the work to view the study holistically and make the findings more robust. The sample for the study was drawn from all canteens located in Ovia North East Local Government Area, Benin City, Edo State which included both female owners of such canteens. The sample size for the study was 100 respondents. As a result, 100 copies of questionnaire were administered. In addition to this, 10 respondents consisting of female owners of canteens were selected for the in-depth interviews. To facilitate the selection of samples from the population, the study adopted purposive sampling technique. This sampling procedure was used because it involves the deliberate selection of respondents from the particular type of business being studied.

Both structured and unstructured questionnaire were used to collect data for the study. The questionnaire was divided into two sections. The first section provided information concerning the personal data of the respondents such as gender, age and educational qualification, while the second section was designed to generate data on the specific objectives of the study. Furthermore, the in-depth interview (IDI) was used to collect qualitative data from the canteen owners.

In analyzing the data collected from the field, descriptive statistics, specifically frequency distribution and percentages were used to analyze the quantitative data. For the qualitative data, verbatim quotations method was used to complement the quantitative method of data analysis after translation from pidgin language into English Language in some cases. The process involved proper translation and transcription of the data from tape recorder.

In order to achieve the objectives of the study, the validity and reliability of the methods of data collection were given full attention. In an attempt to ensure that the instruments of data collection measure what they purport to measure; face validity type was adopted by the researcher with which the assistance of experts in the field were taken into cognizance. In addition to this, a pre-test of the instruments was carried out before the actual field study in order to assess its validity.

Furthermore, to ensure that the data collected are internally consistent, that is the degree to which multiple measures (variables) of the same thing agreed to one another, the Chronbach's Alpha is 0.7. Nunnaly (1978) indicated 0.7 and above to be an acceptable reliability coefficient. For this, the reliability coefficient of the measures of this study at Chronbach's alpha  $\alpha$  is 0.7. This is an indication that the variable measurements strongly agreed with one another. Hence, it was strongly reliable.

## Data Presentation and Interpretation

### Factors influencing women engagement in canteen business Benin City

Table 2: Frequency distribution showing the factors influencing women engagement in canteen business Benin City

Variables	Responses	Frequency	Percent
<b>What was the major factor that influenced your involvement in the canteen business</b>	I have a passion for cooking	08	8.0
	To cater for myself and family	39	39.0
	It is lucrative	20	20.0
	Difficulty in finding a job	17	17.0
	To escape being idle	11	11.0
	Others (Pls specify)	05	5.0
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Do you think that the canteen business should be operated by females rather than males?</b>	Yes	86	86.0
	No	13	13.0
	Not sure	1	1.0
	<b>Total</b>	<b>100</b>	<b>100</b>
	From a mentor	24	24.0
	Family business	19	19.0

<b>How did you learn about the canteen business?</b>	Friends/neighbours	10	10.0
	No prior knowledge	47	47.0
	Others (Pls specify)	-	-
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>What is your major source of support/financing for this business?</b>	Self	73	73.0
	Family	21	21.0
	Government/NGOs	3	3.0
	Others (Pls Specify)	3	3.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Survey (2019)

The table above shows the factors influencing women engagement in canteen business in Ovia North East Local Government Area, Benin City, Edo State. Data in the table above shows that 8% of the respondents claimed that their passion for cooking influenced their involvement in the canteen business while 39.0% were influenced by the need to cater for themselves and their families and 20.0% considered it a lucrative type of business. Also, 17.0% of the respondents revealed that their inability to get a job influenced their decision to start a canteen while 11.0% saw it as a means to escape being idle. Other reasons were provided by 5.0% of the respondents such as the need to be flexible and the quest for extra or multiple sources of income. This shows that majority of the respondents were influenced by the need to provide for their needs as well as those of their family members which is considered a push factor. Furthermore, 86.0% of the respondents were of the opinion that the canteen business is strictly female terrain while 13.0% had a different opinion and 1.0% was undecided. Thus, it can be concluded that majority of the respondents considered the canteen business as a female business. As regards to their source of knowledge about the business, 24.0% attributed it to a mentor, 19.0% claimed that it was a family business, 10.0% linked the source of their knowledge about the canteen business to friends/neighbours while 47.0% had no prior knowledge. Finally, with regards to their source of income, data collected showed that 73.0% of the respondents relied on self-sponsorship, 21.0% derived financial support from family members, 3.0% were supported by the government/NGOs, while 3.0% relied on other means such as the support of a mentor/covert business partners. Figure 1 depicts the respondents' views on the major factor that influenced their involvement in the canteen business.

This position is also elaborated by the report given by one of the respondents:

I started this business several years ago from scratch because my husband's job was not sufficient to take care of the family. My husband is a mechanic and we have 5 children who depend on us for survival. So, this food business has been very helpful in this regard **(IDI/49 years/Ekosodin/2019)**.

In the same vein, another respondent posited that:

I used to sell provisions at a main market in Benin until my neighbor introduced me to this canteen business and she convinced me that I would find it profitable. So I ventured into it immediately and I am satisfied with the outcome (IDI/52years/Isihor/2019)

**Benefits derived from operating the canteen business in Ovia North East Local Government, Benin City, Edo State**

Table 3: Frequency distribution showing Benefits derived from operating the canteen business in Ovia North East Local Government, Benin City, Edo State

Variables	Responses	Frequency	Percent
Have you derived any benefit(s) from operating this business so far?	Yes	96	96.0
	No	-	-
	Not sure	4	4.0
	Total	200	100
If yes, please specify	Stable income	33	33.0
	Independence	15	15.0
	Meeting people’s needs	7	7.0
	Living my dream	9	9.0
	Acquiring various properties	4	4.0
	Sponsoring my children through school	20	20.0
	Providing for my immediate and extended family	12	12.0
	Total	100	100
Do these benefits serve as motivating factors for you to continue with this business	Yes	89	89.0
	No	9	9.0
	Not sure	2	2.0
	Total	100	100

Source: Field Survey, 2019

The responses obtained in Table 3 indicated that 96% of the respondents asserted that they have derived benefits from operating the canteen business while 4% were not sure. Some of the identified benefits include: stable income (33.0%), independence (15.0%), meeting the needs of people (7.0%), living their dreams (9.0%), acquisition of various properties (4.0%), sponsoring children through school (20.0%) as well as catering for the welfare of immediate and extended family (12.0%). Therefore, majority of the respondents indicated that they derived a stable income from the business.

A participant presented her opinion concerning:



Before I started this business, I was dependent on my husband and children for all my needs. I did not have the opportunity to work while my children were growing up as I was busy taking care of them, and so I was dependent on my husband for all my needs. However, engaging in this business has given me the opportunity to earn my own money and even loan some money to others sometimes (IDI/Ovbiogie/60 years/2019)

Furthermore, majority of the respondents (89.0%) confirmed that these benefits were motivating factors for their continued participation in the canteen business while 9.0% disagreed and 2.0% were not sure.

**Challenges faced by Women in Canteen Business in Benin City, Edo State**

The responses obtained in Table 4.4 indicated that majority of the respondents (82.0%) asserted that they have encountered challenges since they started the business while 10.0% disagreed and 8% were not sure. Some of the identified challenges include inadequate finance (26.0%), low patronage (12.0%), too much competition (19.0%), time consuming (13.0%), problem with location (7.0%) and problem with customers/employees (5.0%). Respondents further rated the effects of the challenges they faced on the business performance; 21.0% regarded the effects as very high, 33.0% as high and 16.0% as moderate. The remaining 7.0% and 5.0% rated it as low and very low respectively.

**Table 4: Frequency distribution showing the effects of Challenges faced by Women in Canteen Business in Benin City, Edo State**

Variables	Responses	Frequency	Percent
Have you encountered any challenge since you started this business	Yes	82	82.0
	No	10	10.0
	Not sure	8	8.0
	Total	100	100
If yes, what would you consider as your major challenge?	Inadequate Finance	26	31.7
	Low Patronage	12	14.6
	Too much competition	19	23.2
	Time consuming	13	15.9
	Location	7	8.5
	Problem from customers/employees	5	6.1
	Total	82	100
How would you rate the effect of these challenges on business performance?	Very high	21	25.6
	High	33	40.2
	Moderate	16	19.5
	Low	7	8.5

	Very low	5	6.1
	Total	82	100

Source: Field Survey, 2019

The challenges faced by women in the canteen business were thoroughly spelt out during the IDI sessions conducted with some of the respondents.

According to a particular interviewee:

My major problem in this business is money. Most times, the prices of foodstuffs skyrocket and customers still want the same value for their money and so, we operate at a loss (IDI/38 years/Iguosa community/2019).

The opinion of a second respondent was sought to obtain additional information on this issue. The interviewee explained thus:

There are a lot of people involved in this business and the competition is very stiff. The struggle to satisfy our customers and remain ahead of others can be very tiring (IDI/55 years/Junior Staff Quarters, UNIBEN/2019)

From these responses, it can be concluded that although women may benefit from the canteen business in several ways, it is not devoid of its own challenges with varied effects on business performance.

### **Conclusion**

This study was carried out among women in canteen business in Ovia North East Local Government Area, Benin City, Edo State. Women continue to make a difference around the world due to increased entrepreneurial activity. Although small scale enterprises play a major role in building the nation's economy, they have received little or no recognition overtime. Women are driven into such businesses, such as the canteen business, as examined in this study and have enjoyed several benefits from their involvement. However, several challenges may emerge which can threaten the growth of such businesses.

### **Recommendations**

Based on the discussion above, the following recommendations are made to enhance the

- i. Increased funding for female owned businesses with several channels created for access to finance should be encouraged.
- ii. Women should be empowered to start up enterprises to increase their earning potential and contribute to national development
- iii. Women can benefit from mentoring programs in order to understand the intricacies of starting up a new enterprise to minimize risks.
- iv. Small scale enterprises should be given opportunities to thrive, especially in the midst of rising competition from large scale industries

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