

How to Cite:

Umamaheswari, M., & Vasumathi, R. (2022). Impact of COVID-19 on women owned firms. *International Journal of Health Sciences*, 6(S1), 11602–11610.
<https://doi.org/10.53730/ijhs.v6nS1.7848>

Impact of COVID-19 on women owned firms

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Abstract---The simulations reveal that women-led businesses have been hardest hit by the COVID-19 pandemic. This research is therefore being conducted to assess the impact of COVID-19 on women-owned firms. Convenience sampling technique was used for primary data collection. Sample size was 100 women entrepreneurs in Cuddalore district. Data analysis was done through path analysis. It is discovered that the lockdown influences challenges during COVID-19 among women entrepreneurs. The analysis identified that the social distance influences challenges during COVID-19 among women entrepreneurs. The analysis found that the challenges during COVID-19 influences turnover intention. Hence, it is concluded that women entrepreneurs recover from COVID-19 thirst for subsidies in various taxes, fees, charges and all other levies.

Keywords--- Lockdown, Social Distance, Challenges, Turnover Intention, Women Entrepreneurs, and COVID-19.

Introduction

Shops and businesses in India and around the world were closed as never before due to the spread of the corona virus. Factories, shops, and many other businesses were closed by the Government order. Many of these business closures are permanent. Because of the inability to cope with the costs can escape from the strike. Small businesses around the world have been hit hard by the spread of the corona virus.

Most business owners and major businesses faced a major downturn. The agricultural industry was not the only exception to the impact of COVID-19. All industries such as restaurants, construction, hotels and transportation suffered major setbacks due to Govt-19. The simulations reveal that women-led businesses have been hardest hit by the COVID-19 pandemic.

This research is therefore being conducted to assess the impact of COVID-19 on women-owned firms.

Review of Literature

Bohn, Mejia and Lafortune (2020) and U.S. Census Bureau (2020) conducted a research at the end of March of the members of the business network that can be restructured into 6,000 small businesses. In this study, they found 43 percent of businesses are temporarily closed. Moreover, analysts have found that most businesses have less than a month's cash on hand and have made large reductions in the number of employees.

Research by Lakuma and Sunday (2020) found that small and medium enterprises have experienced a steep decline in business activity due to COVID-19 related restrictions and inflows. But they also found that medium- and large-scale businesses were experiencing a modest decline. Also, most small and micro enterprises predict that they will close altogether within three months.

Impact of COVID19 on MSMEs in Pakistan was studied by (Shafi, Ryu and Ren, 2020). Data were collected from 17 MSMEs operating in Pakistan. Questionnaires were collected online with restrictions on face-to-face meetings and social space restrictions. Eight companies from 91% to 100% experienced severe business impact. The study identified five key challenges: supply chain disruptions, financial access, sales, declining demand, and declining profits.

The onset of the COVID-19 pandemic in China was due to a favorable small business environment (Dai, Hu, & Zhang, 2020). Yet MSMEs in China have been hit the hardest. Other countries, such as Kenya, which relied heavily on China for raw materials, trade, and supplies, have also been hit hard.

Salome K. Kaberia & Stephen M.A. Muathe (2020) found that micro, small and medium enterprises fell by 6.2% to 3.4% due to the impact of COVID-19. Micro, small and medium enterprises, mainly owned by women, faced the challenges posed by the impact of COVID-19.

Robert Fairlie and Santa Cruz & Nber (2020) predict that the number of active business owners in the United States will fall by 3.3 million, or 22 percent, between February and April 2020. The decline was felt in all industries, including registration and business operations. African-American businesses were hit hard by a 41 percent decline.

Sanja Popovic-Pantic, Dusica Semencenko, and Nikola Vasilic (2020) found that 76% of women-owned companies were negatively affected by the COVID-19 pandemic. The lack of time women spend at work was taken care of by family members at home.

Khaled Saleh Al-Omoush, Maria Orero-Blat, and Domingo Ribeiro-Soriano (2021) said the community has a significant role to play in building collective knowledge and applying the wisdom of the crowd. The COVID-19 crisis confirms the significant impact of crowd wisdom, social consciousness, and collective

knowledge formation.

Darja Reuschke, et al. (2021) found that COVID-19 impact self-employment exits were not gender-specific. But women are more likely to lose income due to depletion of working hours. The COVID-19 impact is exacerbating the crisis for the self-employed, leading to business outflows.

Research Gap

Previous research has not focused much on the relationship between woman entrepreneur challenges and turnover intention. Therefore, this study seeks to fill significant gaps. There has been a few researches done on impact of COVID-19 on women-owned firms, but negligible researches have been done on the Indian context.

Statement of the Problem

The women entrepreneurs have high demand for skilled workers due to COVID-19 impact such as lockdown and social distance. The challenges and demand for skilled employees working in women-owned firms is constantly increasing during COVID-19 pandemic. The COVID-19 impact is exacerbating the crisis for the women-owned firms, leading to business outflows. This research attempted to explore relevant information on impact of COVID-19 on women-owned firms.

Framework of the research

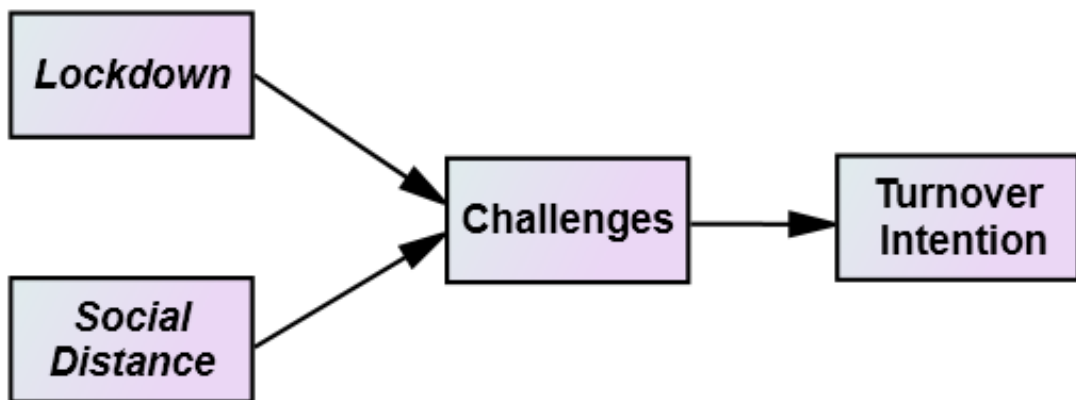


Figure 1: Framework of the research

Research Methodology

Research design

The research is designed to gather descriptive information and provide information for formulating more sophisticated studies. It seeks to identify the various characteristics of the problem under study but does not deal with testing propositions or hypotheses. But it can reveal potential relationships obtaining

between variables, thus setting the stage for more elaborate investigation later. It seeks to classify the range of elements comprising the subject matter of the study. The classification should be exhaustive and mutually exclusive. To a certain extent, this research is analytical too, since tests hypothesis, specifies relationships and interpret relationships. Unlike a descriptive study which employs simple statistical techniques like averages and percentage, an analytical study employs advanced statistical techniques like correlation. Descriptive research focuses directly on a theoretical point. It may be useful in verifying focal concepts through empirical observation. In the present study, the data has been collected by administering interview schedules to respondents. In the present study, simple as well as complex statistical techniques have been employed. It is a social survey since it brings out the opinions of the people and gauges their attitudes.

Objectives of the study

- To discover the impact of COVID-19 pandemic on challenges on women entrepreneurs.
- To identify the impact of COVID-19 pandemic on turnover intention among women entrepreneurs.
- To access the impact of challenges on turnover intention among women entrepreneurs.

Hypotheses of the study

A hypothesis test is a statistical procedure. It is used by a researcher to test an existing claim about a population, using the research data. It symbolises the current situation – one everyone assumes to be true. The claim is noted by H_0 (the null hypothesis). If the research data support the claim, the researcher fails to reject H_0 . If the research data do not support the claim, the researcher rejects H_0 and concludes an alternative hypothesis, H_a .

- There is no impact of COVID-19 pandemic on challenges on women entrepreneurs.
- There is no impact of COVID-19 pandemic on turnover intention among women entrepreneurs.
- There is no impact of challenges on turnover intention among women entrepreneurs.

Tools used for data collection

Sl. No.	Variables	Item	Author
1	Impact of COVID-19 1. Social Distance 2. Lockdown	11	Self-Developed
		6	
		5	
3	Challenges	10	
3	Turnover Intention	5	

To collect primary data, a 5-point Likert scale was used to elicit the respondents' replies to the queries raised in the Interview Schedule. The Likert scale ranged from "strongly agree" to "strongly disagree". Likert scale was relevant to this research since it could be used to measure the respondents' attitude by gauging the extent to which they agreed or disagreed with a question or statement.

The researcher reckoned a sample of 100 women entrepreneurs for the pilot study. The sample was large enough to fulfill the purpose of the pilot study. It revealed the major difficulties the researcher would have to address in the main study. The pilot study was good enough viewed from the perspective of the said requirements. However, the researcher had to ascertain if the framework of the sample was compatible with that proposed for the main study. Cronbach's alpha being the most common measure of internal consistency ("reliability"), the researcher used the measure to determine the reliability of the scale. The Cronbach's alpha was run on the sample respondents. The minimum acceptable value for Cronbach's alpha is 0.70. The following table furnishes the outcome / reliability statistics:

Sl. No.	Variables	Item
1	Impact of COVID-19	0.84
	1. Social Distance	0.86
	2. Lockdown	0.82
3	Challenges	0.91
3	Turnover Intention	0.82

Sampling Technique

In this sampling method, what matters is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus, it will ensure inclusion of the relevant elements in the sample. Non-probability sampling plans cannot ensure such inclusion. Hence, snowball sampling technique was employed for data collection.

Statistical tools used

Manual as well as mechanical methods were employed for data processing. As for the latter, the researcher used AMOS package for data analysis, reporting and deployment. Path analysis is performed to know whether there is influence of independent variables on dependent variable with respect to mediator variable.

Result and Discussion

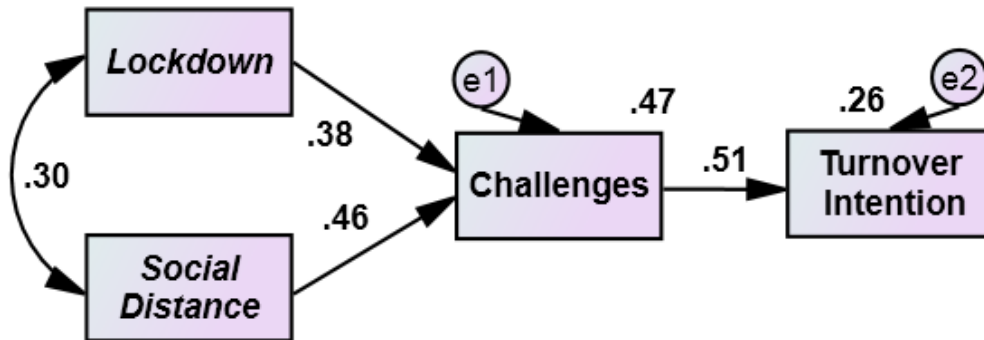


Figure 2: Impact of COVID-19 on women owned firms

Table 1
Shows Model Fit Indication

Indicators	Observed Values	Recommended Values (Premapriya, et al. 2016)
Chi-Square	0.259	---
p	0.878	< 0.050
GFI	1.000	< 0.90
AGFI	0.999	
CFI	1.000	
NFI	1.000	
RMS	0.017	> 0.080
RMSEA	0.001	

Source: Primary data

From the model fit table, it is identified that the chi-square value was 0.259. The p value was 0.878, which was greater than 5%. The GFI and AGFI scores were larger than 0.90, which was suggested by Saminathan, et al. (2019) and Indra, Balaji and Velaudham (2020). The calculated CFI and NFI scores were larger than 0.90, which was suggested by and Kantiah Alias Deepak and Velaudham (2019); Velaudham and Baskar (2015). It was found that RMSEA and RMS values were less than 0.08. The above pointers indicate that it was completely fit Velaudham and Baskar (2016) and Victor Charles and Velaudham (2020).

Table 2
Regression Weights

DV		IV	Estimate	S.E.	C.R.	Beta	p
Challenges	<---	Lockdown	2.389	0.177	13.524	0.384	0.001
Challenges	<---	Social Distance	3.375	0.207	16.281	0.462	0.001
turnover intention	<---	Challenges	0.280	0.017	16.114	0.512	0.001

Source: Primary data

H₀: There is no impact of lockdown on challenges during COVID-19 among women entrepreneurs.

Influence of lockdown on challenges during COVID-19 among women entrepreneurs calculated value of CR is 13.524. The Beta value was 0.384. The beta value indicates that 38.4 percent of influence is through lockdown towards challenges during COVID-19 among women entrepreneurs. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the lockdown influences challenges during COVID-19 among women entrepreneurs in Cuddalore district. Bohn, Mejia and Lafortune (2020), Lakuma and Sunday, (2020), Shafi, Riu and Ren (2020), and Salome K. Kaberia, & Stephen M.A. Muathe (2020) have found similar result.

H₀: There is no impact of social distance on challenges during COVID-19 among women entrepreneurs.

Influence of social distance on challenges during COVID-19 among women entrepreneurs calculated value of CR is 16.281. The Beta value was 0.462. The beta value indicates that 46.2 percent of influence is through social distance towards challenges during COVID-19 among women entrepreneurs. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the social distance influences challenges during COVID-19 among women entrepreneurs in Cuddalore district. Bohn, Mejia and Lafortune (2020), Lakuma and Sunday, (2020), Shafi, Riu and Ren (2020), and Salome K. Kaberia, & Stephen M.A. Muathe (2020) have found similar result.

H₀: There is no impact of challenges during COVID-19 on turnover intention.

Influence of challenges during COVID-19 on turnover intention calculated value of CR is 16.114. The Beta value was 0.512. The beta value indicates that 51.2 percent of influence is through challenges during COVID-19 towards turnover intention. The p value was 0.001. The p value was less than 5% and the hypothesis was rejected. The result shows that the challenges during COVID-19 influences turnover intention in Cuddalore district. Sanja Popovic-Pantic, Dusica Semencenko, and Nikola Vasilic (2020) and Robert Fairlie and Santa Cruz & Nber (2020) have found similar result.

Findings

- It is discovered that the lockdown influences challenges during COVID-19 among women entrepreneurs in Cuddalore district. Bohn, Mejia and Lafortune (2020), Lakuma and Sunday, (2020), Shafi, Riu and Ren (2020), and Salome K. Kaberia, & Stephen M.A. Muathe (2020) have found similar result.
- The analysis identified that the social distance influences challenges during COVID-19 among women entrepreneurs in Cuddalore district. Bohn, Mejia and Lafortune (2020), Lakuma and Sunday, (2020), Shafi, Riu and Ren (2020), and Salome K. Kaberia, & Stephen M.A. Muathe (2020) have found similar result.
- The analysis found that the challenges during COVID-19 influences turnover intention in Cuddalore district. Sanja Popovic-Pantic, Dusica Semencenko, and Nikola Vasilic (2020) and Robert Fairlie and Santa Cruz & Nber (2020) have found similar result.

Suggestions

- It is recommended that women entrepreneurs recover from COVID-19 thirst for subsidies in various taxes, fees, charges and all other levies.
- Policymakers need to develop a comprehensive national policy for women entrepreneurs. Through good national policy, female entrepreneurs can stem from the effects of the COVID-19 impact.
- Business brooding centers should be set up to provide proper guidance and advice to women entrepreneurs affected by the COVID-19 pandemic.
- Provide opportunities for women entrepreneurs affected by the COVID-19 impact to learn from successful entrepreneurs in other countries.

Conclusion

This research is therefore being conducted to assess the impact of COVID-19 on women-owned firms. Convenience sampling technique was used for primary data collection. Sample size was 100 women entrepreneurs in Cuddalore district. Data analysis was done through path analysis. It is discovered that the lockdown influences challenges during COVID-19 among women entrepreneurs. The analysis identified that the social distance influences challenges during COVID-19 among women entrepreneurs. The analysis found that the challenges during COVID-19 influences turnover intention in Cuddalore district. Hence, it is concluded that women entrepreneurs recover from COVID-19 thirst for subsidies in various taxes, fees, charges and all other levies.

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