

IMPORTANCE OF FINANCIAL MANAGEMENT KNOWLEDGE IN SMALL AND MEDIUM ENTERPRISES (SMEs) MANAGING BY WOMEN

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ABSTRACT

Financial management is indispensable for all companies. Having, reaching and analysing financial information is a vital issue for all successful businesses. Managers should understand the meaning of financial data and follow the regulations which effect financial statement of the company. Most of the studies state that woman entrepreneur make a decision on financial issues by asking her husband, families and friends. Financial decision should be taken according to financial management science. All companies and its financial statements have their own characteristics so decisions should be taken by financial consultants. The aim of this study is to measure the level of financial knowledge of women entrepreneurs in small and medium enterprised (SMEs) managing by women. In Turkey, new Turkish Trade Code (TTC) will be implemented after 2012 which will effect especially accounting and finance applications in SMEs very deeply. In this study, women entrepreneurship who are the owners of SME and member to Women Entrepreneurs Board of Chamber of Trade in Edirne were asked questions about financial management and new trade code by using "face to face interview method". Findings show that women entrepreneurs have an incompetent about new trade code and financial management issues and there is a need for "continuous trade education" for women entrepreneurs.

Key Words: *Women, Entrepreneurship, Financial management, Turkey, SMEs, Education.*

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**KADINLAR TARAFINDAN YÖNETİLEN ORTA VE KÜÇÜK
ÖLÇEKLE İŞLETMELERDE FİNANSAL BİLGİNİN ÖNEMİ****ÖZET**

Finansal yönetim, tüm işletmeler için vazgeçilmezdir. Finansal bilgiye sahip olmak, ulaşılabilmek ve analiz etmek tüm işletmeler için hayati bir konudur. İşletme yöneticileri finansal bilgiyi anlamalı ve işletmelerinin finansal tablolarını etkileyen hukuksal düzenlemeleri takip etmelidirler. Yapılan bilimsel çalışmaların çoğunda kadın girişimcilerin finansal kararları alırken kocalarına, ailelerine ve arkadaşlarına danıştığını belirtmektedir. Finansal kararlar "finansal yönetim bilimine" uygun olarak alınmalıdır. Bütün işletmeler ve bu işletmelerin mali tabloları işleme özel karakteristik taşıdığından kararlar "finansal danışman" tarafından alınmalıdır. Bu çalışmanın amacı kadınlar tarafından yönetilen küçük ve orta boy işletmelerde, kadın girişimcilerin sahip oldukları finansal bilgi düzeyinin ölçülmesidir. Türkiye’de, 2012 yılından sonra yürürlüğe girecek olan yeni Türk Ticaret Kanunu, KOB’lerdeki özellikle muhasebe ve finansal uygulamaları derinden etkileyecektir. Bu çalışmada, Edirne Sanayi ve Ticaret Odası Kadın Girişimciler Kurulunda üye ve KOB sahibi olan kadın girişimcilere "yüz-yüze görüşme methodu" ile finansal yönetim ve yeni ticaret kanunu hakkında sorular yöneltilmiştir. Sonuçlar kadın girişimcilerin yeni Türk Ticaret Kanunu ve finansal konularda yetersiz olduklarını ve kadın girişimciler açısından "sürekli ticari eğitim" in önemli olduğu ortaya konulmuştur.

***Anahtar Kelimeler:** Kadınlar, Girişimcilik, Mali yönetim, Türkiye, KOB’ler, Eğitim.*

ABBREVIATIONS:

FTSE: Financial Times Stock Exchange
GEIS: Financial Times Global Equity Index Series
IASs: International Auditing Standards
IFRS: International Financial Reporting Standards
OECD: Organisation for Economic Co-Operation and Development
SOX: Sarbanes Oxley Act
SMEs: Small and Medium Enterprises
TTC: Turkish Trade Code
USA: United States of America

1. INTRODUCTION

Nothing has been the same for SMEs after 2005. The year 2005 marked the beginning of a new era in global conduct of business, and the fulfillment of a thirty-year effort to create the financial reporting rules for a worldwide capital market. Many countries such as Australia, New Zealand, Russia and South Africa were expected to produce annual financial statements in compliance with a single set of international rules – International Financial Reporting Standards (IFRS). (Epstein and Jermakowicz, 2010: 1) Also in 2009, a new regulation was completed on an important, stand-alone comprehensive Standard for what had been known, during its development, first as SME accounting (tailored Standards for small and medium-sized entities), then as IFRS for private entities, and finally, again as IFRS for SMEs. (Epstein and Jermakowicz, 2010: 21) IFRS for SMEs will be applied in more than 70 countries in 3 years. (Wells, 2011: 5)

In Turkey, special kit for IFRS will be applied to SMEs after new TTC promulgation at the beginning of 2012. Application of IFRS needs background from business faculties and experience in finance area. Additionally, new regulations on Basel will force woman entrepreneur follow new regulations very carefully and understand her financial statement very profoundly. SMEs which are transparent, well managed, having strong financial capital will easily follow new regulations. The new regulated SMEs will have advantage in globalised system against their competitors. The SMEs who have flexible structure and close relations with banks, will be successful in the duration of harmonisation for Basel II. (Terzi, 2011: 81) SMEs will need financial consultants while having decision on risk management, financial analysis, investment decision, capital management, financial planning. The question is here how Turkish women managing SMEs will survive in a new cruel financial system? Do they have enough background knowledge on managerial issues and cooperation to support each other?

Academics and governments appear to be concentrating on encouraging entrepreneurship, because it symbolises innovation and a dynamic economy. (Orhan and Scott, 2001) Women's contribution in economic environment is very important for sustainable economy. However, although 49.7% of the Turkish population is women, only 27.6% of them participates in working life. Working women's ratio was 30.1% in 1990.

(Kadının Statüsü Genel Müdürlüğü, 2011: 25) Women are going back to their homes because of several reasons. Difficulties in working life, especially being entrepreneur in a male-dominated world, seems to be a dangerous area for women. Everyday, they face with different regulations on managerial issues. For example, in Turkey, new laws on taxation and social security system, new TTC, IFRS and IASs (International Auditing Standards) will be too difficult for women entrepreneurs to understand if they do not have enough knowledge because women does not like to follow managerial issues.

As the number of women contributing in Turkish economy decreases, it is necessary to discuss possible difficulties in managing SMEs in future for women entrepreneurs. The problems of women in business are also an attractive area for academicians. Social, academic and political interests in entrepreneurship have grown over the last few years (Gonzales-Gonzales, 2011; Catalyst, 2004, 2005; Galinsky *et.al.*, 2003). However, Baker stated that despite high participation by females in entrepreneurial activities around the world and awareness of their roles in economic development, there is limited academic attention. (Baker *et.al.*, 1997) Women entrepreneurs need a safe working environment to take a role in economy. In this study, the meaning of women entrepreneur, the reasons for women to start their business, problems of women entrepreneurs, the level of contribution of women in business, current and possible problems of SMEs and the results of the survey will be discussed.

1.1. Problems of Women Entrepreneurs and SMEs

Entrepreneurs are defined as those who “*seek out and identify potentially profitable economic opportunities agents of growth*”. (Organisation for Economic Co-Operation and Development, 1998: 11) A woman entrepreneur is defined as “*a person who has used her knowledge and resources to develop or create a new business opportunity, is now actively involved in managing it, owns at least 50 percent of it and has been in operations for longer than a year*” (Moore and Buttner, 1997)¹

¹ There is difference between entrepreneurship and SMEs that entrepreneurs is the degree to which they engage in the search for growth opportunities. (Farr-Wharton and Brunetto, 2006) so we cant call all womens who manages SMEs as enterpreneur.

Entrepreneurship has traditionally been considered as a male-dominated activity, where the features of a business-oriented person (leadership, risk-taking, rationally, innovation) are associated with the male stereotype (independence, aggressiveness, autonomy, instrumentality, courage) and stand apart from the stereotyped role for women (expressiveness, empathy, kindness, sociability, oriented to caring for others, shyness) (Bruni, Gherardi and Poggio, 2004; Gupta, Turban, Wasti and Sikdar, 2009; Ogbor, 2000). It is easily seen here that business environment is not safe for woman. Thus, why do women start their own businesses?

The reason why people start a business has been one of the most extensively researched topics in the field of small business management. Much of the literature states that it is because of the motivation for self-employment as being driven by personal characteristics, such as the need for achievement or high internal locus of control. (Walker and Webster, 2006) Numerous studies have reported that women and men have different reasons for starting business. (Buttner and Moore, 1997; Gatewood *et.al.* 1995; Scott, 1986; Shane, *et.al.*, 1991) When it comes to women entrepreneurs, it appears that only a small part of entrepreneurial are acknowledged as gender-based. Instead, “pull” and “push” factors are now a common way of explaining different motivations for women to start a business. (Brush, 1990; Buttner and Moore, 1997) Push factors are elements of necessity, such as insufficient family income, dissatisfaction with a salaried job, difficulty in finding a job and a need for a flexible work schedule because of family responsibilities. Pull factors relate to independence, self-fulfilment, entrepreneurial drive and desire for wealth, social status and power. (Ducheneaut, 1997).

However, developments in regulation nationally and internationally also effect women’s contribution to the economy negatively and positively. For example, after the declaration of Sultan on women empowerment, Oman women’s participation has progressively increased from a mere 3.2 in 1993 to almost 18 percent currently (IFC, 2005; Ministry of National Economy, 2003; ILO, 2003). Contrary to social perceptions and stereotypes, Omani women in leading positions are highly motivated and ambitious. Their successful transition to elevated positions can be attributed to their early socialization experiences with valued education, supportive parents (particularly father), and equal treatment with their siblings (Al-Lamky, 2006) and datas show that women have prominent roles in business.

- The National Foundation for Women Business Owners indicated that in 1995, 38% of business owners in the United States were women and they employed a quarter of the labour force.
- According to the United States Bureau of Labor Statistics (2005), 23.3% of the country's (Spain) top executives are women and they account for 45.9% of executives in general. (Peris-Ortiz, 2011) In Spain, which can be considered to occupy an average position among the most developed countries, 29.14% of micro firms (less than 10 workers) are managed by women and 47.21% of self-employed business owners are women. According to data from 2008, women in Spain constitute 43.51% of the labour force. (Peris-Ortiz, 2011).
- Crompton (1996, 23) stated in his research that “women are at the forefront of the “engine of economic growth in Canada”. While there was a 74% increase in male self-employment in the past twenty years, female self-employment grew by 265% (Crompton, 1993: 29) Self-employed women have tripled their numbers, while men have doubled theirs.(Cohen, 1996: 23)

While women's contribution in working life is increasing in other countries, opposite developments in Turkey connates a lot of questions and should be examined very carefully. Few of the reasons of decreasing are as follows;

- Cost of starting business is high for women entrepreneurs that if an entrepreneur woman wants to start her business as a limited company in Turkey, she has to invest minimum 5.000 Turkish Liras and additional cost of bureaucratic transactions will be approximately 9.000 Turkish Liras.
- Starting and being standable in business needs sustainable politics, strategy and continuous education for women entrepreneur, so that they should have knowledge on business management and related issues (financial management – marketing – organisation). However researches indicate that women entrepreneurs do not make business decision by rationalism.
- Another reason of decreasing women's contribution in business life is *glass ceiling*. In 1990, the concept of glass ceiling pervaded the literature to describe the paucity of women and minorities, heading public and private sector organizations (Maume, 2004) The term was earlier used by Morrison *et.al.* (1987) in their fascinating book

Breaking the Glass Ceiling: Can Women Reach the Top of America's Largest Corporations?, that provided a new insight to the issues women face in their journey through the executive echelons of the corporate organizations. Glass ceiling is still a real problem for Turkish women in business life.

Being women in business means being warrior. Additionally, if women manage SME, there will be additional difficulties arising from SME's characteristics. SMEs are very important contributors to all economies has three types; micro, medium and larger(macro). According to the study of Cosh and Hughes, micro firms increased their employment by over 50% whilst small, medium and larger firms each increased jobs by less than 20%. (1996: 6) On 17 October 1997, *The Globe and Mail* included a supplement on small businesses in Canada that small companies were characterized as sites of "economic dynamism" which were now responsible for 90% of all news job in Canada. (Crompton, 1993: 23). Even many researches say SMEs are indispensable for all economies. It is known that fraud cases mostly have been seen in SMEs. Radical and supportive regulations had not been taken for SMEs to make them more reliable till 2005. SMEs are poor and as a result, they mostly focus on operational activities. (Garengo *et.al.*, 2005) because they are more concerned about survival rather than growth. (Gray, 2002) Technical developments, globalisation, legislators, Basel criterias, unregistered economy, increasing in taxation, economic stability, sustainability (economic-environmental-social) (Uzun, 2010), insufficient capital are problems need to be solved by SMEs' management.

1.2. Challenge for Women Entrepreneurs: Upcoming Developments for SMEs in Financial Area

Publicly held companies are usually heavily regulated in the world because of raising their new funds through public shares from investors in the securities markets. Recently, stock exchanges of the countries support SMEs to be publicly held company by promulgating new regulations. Hence, women managing SMEs will face new developments in the near future for funding themselves by selling their shares to the public. In England, Financial Times Stock Exchange (FTSE) Emerging Market Indices are part of the FTSE Global Equity Index Series (GEIS) which includes approximately 1,600 Large, Mid and Small cap securities listed in Advanced Emerging and Secondary Emerging countries. FTSE has divided Emerging

Markets into Advanced Emerging and Secondary Emerging markets for greater granularity. Countries are classified in accordance with FTSE's transparent Country Classification review process. (Financial Times Stock Exchange, 2011) New developments on Turkish SMEs for being publicly held companies also discussed and supported in the website of Capital Markets Board of Turkey (CMBT) and it is stated that it will be helpful for family managing SMEs to handover it to professional top managers for developing corporate governance. (CMBT, 2011) This means in the near future women managing SMEs will be discussed on process for being publicly held company which need innovation.

Innovation, which is positively related to business performance in small firms, whether demonstrated by the introduction of new products, services and processes or by the re-innovation of existing products and processes. (Deakings, 1996; Cosh and Hughes, 1996; Woo and et.al., 1989) Many small firms are not familiar to innovation process because expertise, time and resources need to innovate. Firms, therefore, which can harness all of their internal resources and extend sources of support have a competitive edge in innovation (Martin, 2001). Transforming to publicly company needs a well-managed innovation process needs information, education and consultation for women managing SMEs. The financial situation of the company, rivalry in the sector, image to sell shares are important factors for being in the security market which needs rational financial management. However, many researches stated that women entrepreneurs act even emotionally while making decisions about the sector. Some studies indicate that women exhibit certain distinguishing factors that set them apart from those led by men. For instance, in the vast majority of cases, women get involved in service sector. Female-led businesses tend to be related to occupations that are stereotypically considered feminine, and when compared to male-led businesses, they are characterised by less start-up capital and financial credibility, lower profit, smaller size, and shorter times of business survival.(McManus, 2001; Muravyev, Talavera and Schaefer, 2009; Startiene and Remeikiene, 2008)

1.3. The Importance of Knowledge for Women Entrepreneurs in Managing

Science of management is changing and developing everyday so continuous management education is a need for all types of managers and

companies. Decisions on accounting, finance, marketing and corporate governance issues are also vital for women managing SMEs. However, the result of researches state that women in business are not good at deciding on the right sector, they do not have business skills and they do not have enough education on financial management. Still and Walker (2006: 301) stated in their research that women felt they had the necessary skills to manage people and to look after the operation of the business, especially on a day-to-day business. However, they were much less certain about their financial skills. Okafur and Amalu state that “women entrepreneurship usually focuses on the survival and growth of the enterprises managed to be controlled by women with less attention on those factors that are most likely to result in business failure when they are starting their businesses”. (Okafur and Amalu, 2010) Entering into business as a women offers the omni-challenges of learning how to effectively operate the activities of such business while simultaneously attempting to meet all other expectations that are part of entrepreneurship (Schaefer, 2003) that being women entrepreneurship needs comprehension education on management and its strategy. Despite the high levels of education and training among businesswomen, men tend to hold more specifically business-oriented university and professional qualifications, as well as greater business experience (Mueller, 2004). Business education and application are vital for a standing company. Deciding on investment, preparing financial statements, understanding balance sheet, controlling accounting documents need financial knowledge are also very important for the women managing SMEs. Especially in Turkey traditional families are still more likely to give good education to their sons than daughters, that’s also another reason of women’s educational problem.

1.4. Who Helps Women Entrepreneur while Managing?

Women entrepreneurs have a lot of problems to survive and should develop themselves with well-planned business education system on management issues. Unfortunately, they usually try to solve their problems by asking their husbands, families and friends inspite of consulting to professionals even for accounting and financial issues. Millman and Martin (2007) stated that husbands have alone role in consulting product development, quality, production, customer service and operations management. Couple has a mutual role in decision making, product

development, quality, marketing and administration, strategy, product development. It is easily seen here mostly women have an active role in making decisions that husbands have a more active role in technical issues like product development. Couples sharing ownership, commitment and responsibility for a business are termed “copreneurs” (Barnett and Barnett, 1988; Marshack, 1994; Smith, 2000; Massey and Lewis, 2006) Copreneurship means that there is an equality of roles, efforts and rewards, which bridges both work and home boundaries. Some research, however, suggests that although this might be an ideal view, most copreneurs operate differently, with tensions in the balance of work and home and with an equal sharing of labour and rewards – often based on traditional gendered roles. (Harris and Lewis, 2005; Rowe and Hong, 2000; Smith, 2000; Marshack, 1994) According to research of Punnett and her friends (2007: 384) “*having a partner increases the satisfaction that successful women experience. There are two possible explanations for this relationship. It may be that a partner provides help at home and with the family that allows these women to perform at their best. Even where a husband’s contribution at home ...or having a partner provides emotional and psychological support which increases satisfaction.*” For financial management in the SMEs, consulting to husbands or families is not trustable and acceptable if they are not financial consultants.

Social networks on financial issues are a good opportunity for women entrepreneurs for developing themselves. Klyver and Terjesen (2007: 687) reported that women in traditional organizations adapt social networks similar to men in order to succeed. Whereas Fielden stated that joining in social network nationally and internationally, locally and globally is important for development of business. It has been suggested that female entrepreneurs are disadvantaged, in part because of a lack of suitable and effective social networks (Fielden et al., 2003). For fostering their members, association of women entrepreneurs may put a link of educational websites about financial issues like Financial Women Association www.fwa.org.

2. METHODOLOGY

For this study, *face-to-face interview method* was used. Thirty members of Women Entrepreneurs Board in Edirne, which is a member of the Union on Chambers and Commodity Exchanges of Turkey, have been invited for interview. Nine of the members have accepted invitation. (30%)

The board directs and manages the women entrepreneurs in Edirne and attends general board membership meeting in the Chamber of Trade to discuss the problems of the all women entrepreneurs. The Board's vision on business matters has vital importance for the other women entrepreneurs.

For the interview, mail addresses and phone numbers were taken from the Secretary of Chamber of Trade in Edirne. *Verbal statements of respondents* are shown in *italic*. Interview consists of five parts;

- a) Socio Demographic Features
- b) General Information on Company Management
- c) Women's Knowledge on Financial Information
- d) Women's Knowledge on New Turkish Trade Code
- e) Women's Education on Financial Management

3. FINDINGS

a) Socio Demographic Features

Responder	Age	Year of Graduation	Graduation	Graduated Department	Occupation of Your Spouse	Working Experience
1 st	45	1983	School of Teachers	Literature	Working in SME	2
2 nd	49	1983	Faculty of Education	Chemistry	Owner of Restaurant	4
3 rd	52	1983	Faculty of Dentistry	Dentist	Dentist	28
4 th	49	1998	Faculty of Business Administration and Economics	Business Administration	Employer in Public Sector	35
5 th	40		High School	-	Single	5
6 th	51	1977	High School	Natural Science	Single	15
7 th	60	1969	Trabzon Health College	Nursary	Retired health worker	20
8 th	50	1978	High School	Science	Businessman	17
9 th	44	1985	High School	Trade	Single	15

Findings show that

- The responders' average age: 48.8
- 55.5% of the responders have bachelor degree
- The responders' average working experience: 15,6 years.

b) General Information on Company Management

Questions related to Business Life

Responder	When did you found your company?	In which sector do you service?
1 st	2009	Cafeteria
2 nd	2007	Health
3 rd	1983	Health
4 th	2008	Insurance
5 th	2006	Food
6 th	1996	Textile
7 th	1996	Textile
8 th	1996	Jewellery
9 th	1997	Textile

Findings show that

- The responders' average age of the companies: 11.22
- 44.4% of the responders work in service sector.

Questions related to Company Management

Responder	What kind of SME do you manage? a) Trade b) Industry c) Service	Who manages your company?	If you manage your company by yourself, who supports you?
1 st	Service	Me, my husband and manager	My husband and manager
2 nd	Trade	Me	My husband, my employee, my head company
3 rd	Service	Me	No one
4 th	Service	Me	My head office
5 th	Trade	Me	My daughters My family
6 th	Trade	Me	My accountant My customers
7 th	Trade	Me	Me
8 th	Trade	Me	My bank My accountant
9 th	Trade & Service	Me	My accountant

Findings show that

- 89 % of the women entrepreneurs manage their business themselves.
- 77.7 of the women entrepreneurs receive support from someone.

Questions on Problems of Being Women Entrepreneur in SMEs

Responder	What kind of problems did you face with as a women entrepreneur in your sector?	What kind of advantages do you have as a women in your sector?	Do you have any support from professionals?
1 st	<i>I did not face with any problems.</i>	<i>I do not have any advantages as a women.</i>	<i>No answer</i>
2 nd	<i>No</i>	<i>Women customers interpret themselves better than men.</i>	<i>Certified Public Accountant</i>
3 rd	<i>No problem</i>	<i>No advantage</i>	<i>Certified Public Accountant</i>
4 th	<i>No problem</i>	<i>My customer says that women in business behave in more discipline than men.</i>	<i>Head Office</i>
5 th	<i>No problem</i>	<i>I trust myself</i>	<i>Certified Public Accountant</i>
6 th	<i>No problem</i>	<i>I am lucky because my customers are women.</i>	<i>Certified Public Accountant</i>
7 th	<i>I have several problems. When I order products for the second time, providers send them in higher prices. Furthermore, my rivals are men.</i>	<i>My sector is for women, so I feel lucky.</i>	<i>Certified Public Accountant</i>
8 th	<i>I live in a little town; however, I do not have any problems.</i>	-	<i>My accountant My bank</i>
9 th	<i>I do not have</i>	<i>Because my all customers are women.</i>	<i>My accountant My bank My friends in sector My lawyer</i>

Findings show that

- 100% of the women entrepreneurs do not face with a problem aroused from sexuality.
- 55.5% of the women entrepreneurs stated that they have advantage of arising from having women customers.
- 88.8% of the women entrepreneurs said they have support from professionals.

c) Measurement of Knowledge on Financial Information

Questions on Risk Management and Its Subtitles

Responder	Do you know the meaning of risk in business *? If YES, please describe it with examples?	What are the risks for you in your business life?	Who helps you when you feel that you are going to face with a risk?
1 st	YES Risk means not attractive to customers. Risk means not to have satisfied customers	Gaining (working but not make profit...) Can not afford expenses...	My husband
2 nd	YES It is the uncertainty of the return of capital and making profit.	Loss of capital which was invested for assets.	My family and my bank
3 rd	NO	-	-
4 th	YES It means to win or to loose.	-	My husband
5 th	YES It means not sale my products in the same day.	Uncertainty	My family and friends
6 th	YES Trade is, of course, a risk.	Economic crises	My family
7 th	YES It means to win or to go in bankruptcy.	-	My family and my friends in the same sector
8 th	YES To make wrong attempt because of not foreseeing.	-	My husband
9 th	YES	-	-

* The meaning of risk in business is the possibility that a company will have profits lower than anticipated, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including sales volume, per-unit price, input costs, competition, overall economic climate and government regulations.

Findings show that

- 88.8% of the women entrepreneurs stated that they know the meaning of the business risk whereas none of the women entrepreneurs could describe the meaning of the business risk correctly.
- 77.7% of the women entrepreneurs are being supported by their families / husbands when they need help in business risk.

Questions on Financial Analysis and Its Subtitles

Responder	Do you know the meaning of financial analysis ? If YES please describe it with examples?	What does financial analysing help for?	Who helps you in while analysing about your company?
1 st	YES Analysing money	Helps managers to pay money in a discipline	My husband
2 nd	YES Financial analysis is a research and evaluation for funding a job.	Helps making realist investment	Chamber of Trade in Edirne and my Accountant. Additionally, companies in the same sector.
3 rd	NO	-	-
4 th	YES To think about future	Planning our future	My husband
5 th	NO	-	-
6 th	YES It shows me if my budget is enough or not for the job.	It shows me what I can do with my budget	My savings My family
7 th	YES Means money	-	Certified Public Accountant
8 th	NO	-	-
9 th	YES It is for taking cautions for future risks	-	-

* The meaning of financial analysis (also referred to as financial statement analysis or accounting analysis) refers to an assessment of the viability, stability and profitability of a business, sub-business or project.

Findings show that

- 66.6% of the responders stated that they know about the meaning of financial analysing whereas none of the women entrepreneurs could describe the meaning of the business risk correctly.
- 55.5% of the responders have support from their families and professionals like Certified Public Accountant (22.2%).

Questions on Financial Planning and Its Subtitles

Responder	Do you know the meaning of financial planning *?	What is Financial Planning for?	Who helps you during financial planning?
1 st	YES <i>To use financial planning in a planned way.</i>	-	<i>My husband</i>
2 nd	YES <i>Planning to organise how I am going to spend my money</i>	<i>For being standable company</i>	<i>Me, My family, Chamber of Trade in Edirne and My accountant</i>
3 rd	NO	-	-
4 th	NO	-	-
5 th	NO	-	-
6 th	YES <i>It shows me how I am going to use my money</i>	<i>It shows my profit and loss.</i>	<i>My accountant</i>
7 th	YES <i>Fixing budget</i>	-	-
8 th	NO	-	-
9 th	NO	-	-

*The meaning of financial planning is a series of steps which are carried out, or goals that are accomplished, which relate to an individual's or a business's financial affairs.

Findings show that

- 44.4% of the responders stated that they know the meaning of the financial planning whereas none of the women entrepreneurs could describe the meaning of the financial planning correctly.

- 22.2% of the responders stated that they are being supported by their families and other 22.2% said that they are being supported by their professionals.

Questions on Investment Decisions and Its Subtitles

Responder	Do you know the meaning of investment decision*?	What is Investment Decision for?	Who helps you during investment decision?
1 st	YES <i>To decide on an investment after investigation.</i>	<i>It helps you to progress your opinion.</i>	<i>My husband</i>
2 nd	YES <i>For establishing a company or developing company</i>	<i>For developing company</i>	<i>My family</i>
3 rd	NO	-	-
4 th	NO	-	-
5 th	YES <i>To spend your capital</i>	<i>It helps increasing and protecting your money</i>	<i>Expert in my bank</i>
6 th	YES <i>It helps me to develop the capacity of my job.</i>	<i>Developing my job.</i>	<i>My family</i>
7 th	YES <i>The decision is taken for investing.</i>	<i>Thinking carefully to invest.</i>	<i>My husband and my family</i>
8 th	NO	-	-
9 th	NO	-	-

* The meaning of Investment Decisions are made by investors and investment managers. Investors commonly perform investment analysis by making use of fundamental analysis, technical analysis and screeners. Investment decisions are often supported by decision tools. The portfolio theory is often applied to help the investor achieve a satisfactory return compared to the risk taken.

Findings show that

- 55.5% of the responders know about approximate meaning of investment decisions and 44.4% of them make decisions on financial management with the support of their families.

d) Women's Education on Financial Management

Responder	Have you received education on finance? a)Yes b)No	Do you believe that continuous finance education is a need for improving success in business life for SMEs?
1 st	No	<i>Of course, it is a must understanding for financial development in business environment.</i>
2 nd	Yes	<i>It is necessary for understanding business environment, following developments and myself.</i>
3 rd	No	<i>Financial information is changing everyday.</i>
4 th	No	<i>Financial information is a must for an entrepreneurship.</i>
5 th	No	<i>For me, it is not necessary.</i>
6 th	Yes	<i>I think it is a must for women entrepreneurs.</i>
7 th	No	<i>I thank you and express my request to have information for financial problems.</i>
8 th	No	<i>I think financial education is a need for following recent developments in daily business.</i>
9 th	No	<i>If we want to follow recent developments and learn recent regulations on finance, we should have continuous education on finance.</i>

Findings show that

- 77.7% of the women entrepreneurs stated that they do not have education on financial issues but they need it.

e) Measurement of Knowledge on New Turkish Trade Code

According to new Turkish Trade Code which will be promulgated after 2012, Turkish SMEs will apply new financial and managerial regulations. Please indicate if you know details of new Code about SMEs with *verbal explanation*.

Responder	Do you have information about after new Turkish TCC promulgated, SMEs will be applied IFRS.	After new TTC promulgated, SMEs should open website.	After new Turkish Trade code promulgated, financial statements of SMEs should be audited by independent auditors.
1 st	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
2 nd	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
3 rd	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
4 th	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
5 th	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
6 th	<i>Yes I know (there is no explanation)</i>	<i>Yes I know but it does not interest a small SME like me.</i>	<i>Yes I know. It is about big companies.</i>
7 th	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>
8 th	<i>I do not know</i>	<i>Yes I know</i>	<i>I do not know</i>
9 th	<i>I do not know</i>	<i>I do not know</i>	<i>I do not know</i>

Findings show that

- 88.8% of the responders stated that they do not have information about TCC and its details.

4. DISCUSSION

Problems of women in business world is not newly known. Even many protective laws for women in business have been taken by governments, the contribution of women in business world is decreasing in some countries especially in crises periods like in Turkey after 2001. Discussing about women problems in business is not popular and it should not be considered as a feminist movement because it is vital for women's survival in life.

Women have two choices to enter in business; being employee or opening her own business. Both of them are not easy and have its own characterised problems. If she is an employee in a company, she possibly may face with problems like unequal salaries, difficulties in entering to the boards, glass-ceiling, unequal politics to have promotion that these kind of problems force women to open their own business and most of the new women entrepreneur start their businesses as SME whereas being women entrepreneurs also means struggling in the business environment.

SMEs in the world have problems on managerial issues like corporate governance, fraud in the world. Hence, SME related institutions in the world like OECD and others try to organise, reform and take them under control by regulations in developed and underdeveloped countries. It is easily understood that being a woman entrepreneur creates specific problems in Turkey will have additional difficulties after 2012.

As promised to EU, SMEs in Turkey will be promulgated TCC after 2012 which is threshold for SMEs because IFRS, IASs and international evaluation standards will be applied. Additionally all SMEs' financial statements will be audited by an independent auditors. They should create their own website and announce their last 5 years' financial and corporation details in. After 2012, additional difficult criterias will force women managing SMEs and they will need financial management knowledge and application in business world. Otherwise decreasing contribution of women in business may increase with new regulations.

Men and women entrepreneur have different features in business world that researches state that men entrepreneurs behave logically. However, being entrepreneur during crises period and globalisation need well-managed financial information and it is not possible to manage company with emotional and accidental decisions. The importance of and the need for financial management in the future will increase because of new regulations, especially for SMEs. However, researches stated that woman entrepreneur consults to her family and friend while managing her company. Even if families support women entrepreneurs in the family, their consultation on technical issues will not be acceptable in business life. Unfortunately, the results of our study show that women trust more on their family decisions than their financial advisors, which is not an acceptable behaviour. Women managers should act more professionally while they give critical financial decisions.

In this research, following important results have been found about Turkish women entrepreneurs;

- they mostly manage their business (89%); however, they have support from another one (77.7%).
- they do not face with problems arising from sexuality in women customer sectors.
- most of women entrepreneurs do not know the meaning of business risk, financial analysis, financial planning, investment decision and they mostly stated that they needed education on financial management.
- all of the responders said they do not have information about the financial issues in the new TTC which will be affected after 2012.

The results of the international studies and this study reveal that women entrepreneurs need “*continuous financial management education*” for well-managed SMEs. Moreover, following recommendations should be taken seriously by related institutions about women entrepreneurship and SME management.

*Continuous business management education including financial management and trade code should be provided to women entrepreneurs by Trade Chambers and educational institutions.

* Women entrepreneurs should consult to financial advisors to decide for investing, budgeting, funding and the other financial issues instead of consulting families.

* Women entrepreneurs should organise network on business issues to support eachother on financial issues.

* Women related institutions like universities, trade chambers and nongovernmental organisations should organise projects and education events for women entrepreneurs to keep them accurate.

“*Continuous management education for women managing SMEs*” is one of the way out to increase women contribution in economy. Appropriate financial decision needs advanced financial knowledge as investment decision starts with the identification of investment opportunities, often referred to as capital investment projects. (Brealey, Myers and Marcus, 2009, 5) Project analysis, financial planning, capital management, financial analysis and risk management need a strong and certified knowledge for decision makers including women entrepreneurs.

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