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<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctoral dissertation

Subject	International Business, Entrepreneurship	Date	31.05.2020
Author(s)	Tu Anh Mai	Number of pages	91+appendices
Title	The impact of microfinance on entrepreneurial outcomes and the role of intangible resources of women entrepreneurs in Vietnam		
Supervisor(s)	Professor Peter Zettinig		

Abstract

Microfinance has been discussed by numerous researchers in the assessment of its benefits towards poverty reduction in many developing countries. It is also considered as a life-changing tool for the poor who have little access to funds from formal lenders. Especially, microfinance is knowingly associated with women empowerment in poor setting with an aim to improve their well-beings. The driving forces from microfinance movement have struck women to recognize their potentials and spark up business plans regarding venture creation. In order to clarify about the success of women in entrepreneurial activities, the exposure of intangible resources possessed by women was presented in the light of resource-based theory. Intangible resources in this circumstance were concentrated on the constructs of psychological capital and social capital.

The research approach adopted in this study includes the analysis of case studies from third party publications in combination with interview conduction. Through case studies, innovative business models of women entrepreneurs under the assistance of a microfinance provider, TYM Fund, were discovered rigorously. Meanwhile, the latter was carried out through an interviewing process with a gender expert in regard to a women-oriented project in rural area of Vietnam. The findings from this research led to develop new insights about transformational mindset of female entrepreneurs by positive motives and how they utilized their social resources from their extended networks. Also strengthening the role of intangible resources of women by the influence of microfinance was highlighted. The study, as a result, underlined inspirational motivation and collaborative relations in the setting of community-based activities to support women in business undertaking.

Main conclusion drawn from this study confirmed the efficiency of microfinance programs pertaining to intangible resources optimization as stimulus to the growth of women entrepreneurship in the context of Vietnam in medium term. Furthermore, it reinforced the necessity of active participation of women in microfinance institutions and emphasized on continuous efforts related to women empowerment in society.

Key words	Microfinance, female entrepreneurship, psychological capital, social capital, resource-based theory, woman empowerment
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**UNIVERSITY
OF TURKU**

Turku School of
Economics

**THE IMPACT OF MICROFINANCE ON
ENTREPRENEURIAL OUTCOMES AND THE
ROLE OF INTANGIBLE RESOURCES OF
WOMEN ENTREPRENEURS IN VIETNAM**

Microfinance in the context of Vietnam

Master's Thesis
in Global Innovation Management

Author(s):
Tu Anh Mai

Supervisor(s):
Professor Peter Zettinig

31.05.2020
Turku

First and foremost, I would like to express my sincere gratitude to my supervisor, Professor Peter Zetting by all his kindness and helpful advices, which motivated me to complete my Master thesis during months. I appreciate that he was always responsive to my questions and contributed his time to encourage and provide recommendations to me. His patient guidance and precious opinions entirely made my thesis work productive and kept it going to a fruitful consequence.

At the same time, completing this thesis work would have been tough if it had not been for the support of my parents and the encouragement of my close friends from GIM class during the research. Also, I would like to thank Mrs. H. Nguyen for her participation in my interview in order that I could have a positive perception about the supporting projects for female entrepreneurs in Vietnam.

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

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1 INTRODUCTION

1.1 Background of the study

The models of microfinance have been appeared in many countries in the world with high expectation to address issues of poor alleviation and economic growth since the period of 1970s. Microfinance programs which have been established and developed by microfinance institutions (MFIs) aim to the comprehensive objective of financial inclusion for developing countries and are designed to be supporting tools for the poor and microenterprises. With appropriate interest rates and supportive lending procedure without strict requirements of collaterals, the microfinance has become the alternative of traditional credit exclusively for the individuals who encounter difficulties in access to banking services. Moreover, it has been proven that although MFIs have tried to balance profitability, a priority to financial inclusion and financial sustainability has been remained. The microfinance sector is undoubtedly a good response to meet the demand from the most vulnerable group of individuals in society (Microfinance Barometer 2018, 1).

1.1.1 Microfinance as an innovative tool with social mission

Microfinance has not been a new concept in the financial programs for the poor. Broader social goal of microfinance is attached to the course of actions of “bringing hope, prosperity, and progress to many of the poorest people in the world” (UNFPA 2005, 3). It is known that the matter of the poor is having no access or less to traditional credit and banking services. The barriers from complex regulations, terms of collaterals... imposed by commercial banks and credit unions repress the poor to use official financial services. The poor tend to face with the problems such as higher fees for loans, risks in loan repayment, over-indebtedness... when they find the credit from the sources of informal unregulated finance. Therefore, microfinance appears as a feasible tool to be reliable, highly flexible in taking loan out and loan repayments, quick process in handling transactions of borrowing money and convenient with local approaches (Morduch 2004, 22-23). Anyhow it is undeniable that microfinance represents a social innovation to fill the gap of financial services exclusively for the unbanked or underbanked. Microfinance demonstrates the identified choice of market for the poor and small businesses or those who are excluded from the mainstream of financial services (Mersland & Strøm 2010, 2). Such choice of market segments for the poor, in fact, is potential to be exploitable. Until 2013, there were

about 2.3 billion unbanked people in the world who often use informal methods of borrowing, savings and approximately 200 million small and medium businesses encountered the constraints to access to credit (World Bank 2013). In Figure 1, it illustrates that the actors in the financial system together with microfinance institutions take action to reach the different levels of low-income people (Lunn 2015). It underpins the efforts of MFIs to reduce the situations of impoverishment worldwide (World Bank 2013) because microfinance is a promising tool to “remove the frictions” in the society caused by limited access to financial services for the poor (Mersland & Strøm 2010, 8).



Figure 1 The outreach of microfinance (Bernard Lunn 2015)

Regarding the definition of microfinance, it is not simply understood as microcredit but consists of other financial services as deposit savings, insurance as well as non-financial services provided by suppliers – microfinance institutions (Rahman, Luo, Hafeez & Sun, 2015, 65). Earlier the individuals were interested in credit because of fund insufficiency for their businesses. Even when they were willing to run a business, the creditworthiness of the low-income people might not be considered by formal lenders (Fischer & Ghatak 2011, 4). In that case, the poor were underserved by financial institutions or commercial banks. Therefore, microcredit was the start of credit market for the poor. Microcredit is known as a method of offering small loans for low-income people to launch new business or improve current business (UNFPA, 2005). After that, there was a shift from microcredit to microfinance when it was acknowledged that poor people are eventually in need

of diversified financial services to improve life quality. Therefore, the services beyond microcredit constitute various types of support to poor people so as to tackle the matters of poverty. Moreover, when the activities of MFIs can expand the access with sufficient information together with the offerings of effective and well-designed products and services for the clients, financial inclusion will be achieved (Ledgerwood 2013, 17). It means that the action of microfinance contributes to financial inclusion through separate or all-in services offered by MFIs.

During four decades of implementation, the expansion of microfinance services has advanced in quantity and quality in the world. The latest data from Microfinance Barometer 2018 has indicated that until the end of 2017, about 139 million individuals were supported by the microfinance movement with total loans up to estimated \$114 billion dollars. Accordingly, the loan amount in 2017 increased 15.6% compared to previous year as well as the number of borrowers grew with the rate of 5.6%. Regarding regional outcomes, the highest loan portfolio of \$49.8 billion dollar was provided at the area of Latin America and Caribbean, the following regions were South Asia, East Asia and Pacific with \$27.9 billion dollar and \$19.1 billion dollar respectively, meanwhile the lower loan amounts were obtained at African and European regions. Despite that, South Asia together with East Asia and Pacific witnessed the higher growth rate in both loan portfolio and the number of borrowers. It is also confirmed that the spreading of microfinance as a global industry has been surged up in developing countries.

Table 1 Top 10 countries by number of borrowers in microfinance 2017 (Microfinance Barometer 2018)

Rank	Country	Borrower FY2017 & grow since 2016	Loan portfolio FY2017 (dollar) & growth since 2016
1	India	50.9M (+5.8%)	17.1B (+26.3%)
2	Bangladesh	25.6M (+3.5%)	7.8B (+17%)
3	Vietnam	7.4M (+2.8%)	7.9B (+18.9%)
4	Mexico	6.8M (-3.8%)	4.4B (+5.5%)
5	Phillipines	5.8M (+16.3%)	1.3B (+17.5%)
6	Pakistan	5.7M (+25.9%)	1.8B (+39.6%)
7	Peru	5.1M (+9.5%)	12.6B (+17.0%)
8	Brazil	3.5M (+1.1%)	2.6B (+2.7%)
9	Colombia	2.8M (-0.7%)	6.3B (+5.6%)
10	Cambodia	2.4M (-4.7%)	8.1B (+21.6%)

More specifically, India stood out in top countries with the growth rate of microfinance in 2017 as per Table 1. It reached 50.9 million borrowers and loan portfolio was gained

\$17.1 billion dollar. Following by Bangladesh, it has been known as the pioneered country where microfinance was initiated from the perception of Muhammad Yunus towards the circumstances of credit deficiency for the poor in resource-constrained setting. The third place held by Vietnam of Southeast Asia marked the possibility of growth in this country in the past years. It is apparent that the activities of MFIs in Vietnam have gained positive results with the increase of loan portfolio so far. It is the focus of this study to explore in more details about the empirical data regarding microfinance in that country.

When it comes to the social mission, microfinance aim at being more than poverty alleviation but the human development. Hence influential changes of cognition and behaviors of the group of poor people and microenterprises through the support of financial, educational and health services are taken into consideration. It is likely that the increase of account holders is a good signal in the growth of microfinance, however it is unlikely that the clients can use taken-out loans from microfinance effectively. Most of clients are the poor who are being illiterate or semi-literate and hardly in possession of collateral (Bruton, Khavul & Chavez, 2011, 720). The lack of money or credit, in fact, is not only the only matter of low-income people. As they possess “low technology levels” initially, they would apparently take much time to strive for the pathway to markets if it were not for microfinance. In order to start a small business, they are supposedly in need of training with appropriate basic knowledge to use the credit efficiently and then can control their finances properly (CARE international, 2019). Consequently, training projects and technical support from microfinance with regard to business and related skills for the poor entrepreneurs are assessed to be demanding at any cost.

Another characteristic of microfinance is that it has been highly concerned with poor women in rural and remote areas. According to the statistic, one of remarkable features of borrowers is the proportion of gender: in 2017, women accounted for 83% of borrowers whereas men only made up 17% (Microfinance Barometer 2018, 2). It is obvious that the programs of microfinance focus on the provision of lending for women as an effective method of women empowerment and the enhancement of their positions as being significant roles in the economy and society. The empowerment does not only expose to progressive engagement in economic activities but also transforms “power dynamics”, diminishing other factors of restraints in life. The women can manage their lives better in the facets of decision-making, finance controlling as well as assurance of a convenient approach to the sources of necessary information and tools (Niner 2018).

1.1.2 The revolution of microfinance

During the development of microfinance, the changes in the outreach of microfinance towards the clients associated with different opportunities and challenges.

At the time of microfinance 1.0, microcredit was introduced by Grameen Foundation in Bangladesh in 1970s with low interest rate to give loans to the very poor (Lunn, 2015). It was expected as a life-changing tool for poor households in the efforts of addressing poor reduction in developing countries. The idea of microcredit came from a trip to rural areas of Muhammad Yunus. It made him realize about the issues of poverty occurring in rural villages in Bangladesh. He perceived that there was a necessity of credit of the women in the village to produce new stools although they needed extremely small amounts of \$27 for purchasing raw materials. Hence, Yunus decided to provide first loan to 42 families from his own money, which allowed them to produce and sell items, then they were able to repay the loan to lenders. Grameen Bank was established two years later with the aim of women-focused operation, especially for the poorest households. Such idea of Yunus was awarded Nobel Peace Prize in 2006 because the efforts of Grameen Bank in pro-poor policies had a significant impact in human rights (Knowledge@Wharton, 2007). In this model, microcredit is developed as a lending experiment for small groups of women on the basis of joint liability. The borrowers formed a group and all of them bore the responsibilities to repay loan. If one of borrowers failed to repay, he or she would not be able to be approved for following loans. The group consisted of five members gathered to meet weekly with other groups under the conduct of a loan officer. By doing that, the loan officer could approach and monitor eight group of clients at the same time (Morduch 1999, 1575). After that, the model was gradually applied into other developing countries and it has become a global industry with a lot of transformation.

Since the period of 1990s marking the changes in microfinance 2.0, a wide range of financial products and services has been well-tailored by MFIs beside traditional microcredit to meet the extensive demands. For instance, savings product for the poor was added in a compulsory or voluntary basis; loan repayments were collected weekly or monthly; more offering of individual microlending other than only group-based lending; training workshop for business skills, financial control, risk prevention, health education (Olsen & Bandeen, 2015). The services were not only the-poor-oriented and microenterprise-oriented, but also for other targeted group of people who need extensive offerings of insurance, loan for education, health treatment, housing (Crosman, 2017).

Currently microfinance 3.0 has witnessed the positive outcomes and gradually achieved the standards in the framework of financial inclusion with the highlight of technology. The services of MFIs which can cover from lending services, deposit savings, insurance, money transfers, etc. demonstrates the likelihood of diversification in offerings. Simultaneously, they have been developed in new digitalized platforms. Moreover, regarding regulations, the active engagement of governments is essential to formulate the policies for a better regulatory environment for microfinance (Olsen & Bandeen, 2015). On the other hand, there is also a trade-off between outreach of MFIs and sustainable development for poor communities when transaction costs and client management fees for small loans are relatively high (Morduch 2004, 18; Rahman et al. 2015, 70). There are the situations when the poor live in villages in remote area. They have to take much time to travel to the nearest branch of financial institutions, encounter difficulties of carrying money... Meanwhile, as for MFIs, it is costly to establish too many small branches (Crosman, 2017). Thus, in order to sustain microfinance movement, MFIs should continuously facilitate clients to access to the services by improving customer-oriented business models using new technologies (World Bank, 2013). That is the reason why the application of digital technology has been preferred in the services of microfinance in recent years. It is assessed to help to accelerate the capabilities of MFIs to approach more clients in a favorable manner. Innovation in technology refers to blockchain, mobile platform (BNP Paribas 2018), “branchless banking applications” (Ledgerwood, 2013, 38) and other cutting-edge products and services of MFIs to be more adaptive to the clients’ requirements and situations. Moreover, digitalization in this sector helps to boost optimal performance as well as productivity. For instance, blockchain enables the following features: payment tracking, rapid transaction, account holders’ ledgers management with reduced costs, monitoring of credit history, no requirement of intermediaries in the system, the possibility of connecting all lenders and borrowers in a related network (Coppi, 2018). It could be seen that in inclusive financial ecosystem that microfinance aims to, there have been more and more participation of partners such as commercial banks, innovative digital providers, peer-to-peer networks and social media enterprises (Akdn.org, 2019).

1.2 The purpose of the study

In developing countries, it is supposed that the entrepreneurs often confront with incomprehensive institutional regulations with little support for financial resources. Funding from family network does not suffice indeed, which enables them to endure more burden

and feel somewhat hopeless about business opportunities, especially in poor state and unaffordable setting. Hence, through the provision of microfinance, the access to financial resource makes them relieve from their concerns. For poor entrepreneurs, the road to entrepreneurship seems to come from the demand of capital to overcome the poverty rather than their recognition about opportunities (Newman, Schwarz & Borgia 2014, 163). However, several heuristic studies have illustrated that the provision of microfinance could lead to venture creation in poor communities (Bruton et al. 2011, Attanasio et al. 2015, Newman et al. 2014). Such movement is presumed to encourage entrepreneurs to invest in small businesses and support them to exploit these opportunities. Therefore, it is intriguing to clarify in a deeper level about how their awareness and perception of efficient use of microcredit and other non-financial services provided by MFIs have been affected in and after their participation in the microfinance's programmes in developing countries.

Additionally, the relationship between microfinance and women entrepreneurs is a focus of several studies (Ekpe, Mat & Razak 2010; Bruton et al. 2011, Tran & Barth 2014, Attanasio et al. 2015, Dedunu & Wijewardana 2017). As women take up a considerable number in populations of every country but they still confront with difficulties regarding job acquisition in higher rate than men. Despite that, it is obvious that their participation on economic activities are substantial. Besides, especially the role of women entrepreneurs, indeed, has considerable impact in creating new jobs, contributing to the development of economy as well as innovation. Most of their re-investment from profits of business is mainly for education and help own families to out of poverty (Tran & Barth 2014). Also, women empowerment is eventually a theme which drew the attention in the microfinance sector. Women empowerment is presumedly assessed in the social performance that microfinance contemplates even though there is an acknowledge that little impact on women empowerment were achieved in empirical studies as the expectations of MFIs (Feiner & Barker 2006). Nowadays, with the e-commerce platform, the transformational changes in the microfinance activities have brought more beneficial for the entrepreneurs, especially women. Therefore, my direction of study is also driven by the interest in the field of female entrepreneurship. Then it motivated me to explore what the female entrepreneurs perceive from the support of microfinance and how their resources are created and evolve over the time.

Furthermore, when it comes to women entrepreneurship in emerging countries, venture growth is driven by the factors of human capital (related to industry experience, educated entrepreneurial knowledge) and social capital (related to family and relatives' relationship and business networks) (Prasad et al.2013). Together with the findings from Newman et al. (2014, 160), it shed the light about the aspects of psychological and social capital of the entrepreneurs by virtue of their engagement in the supporting programs of microfinance as shown in Figure 2.

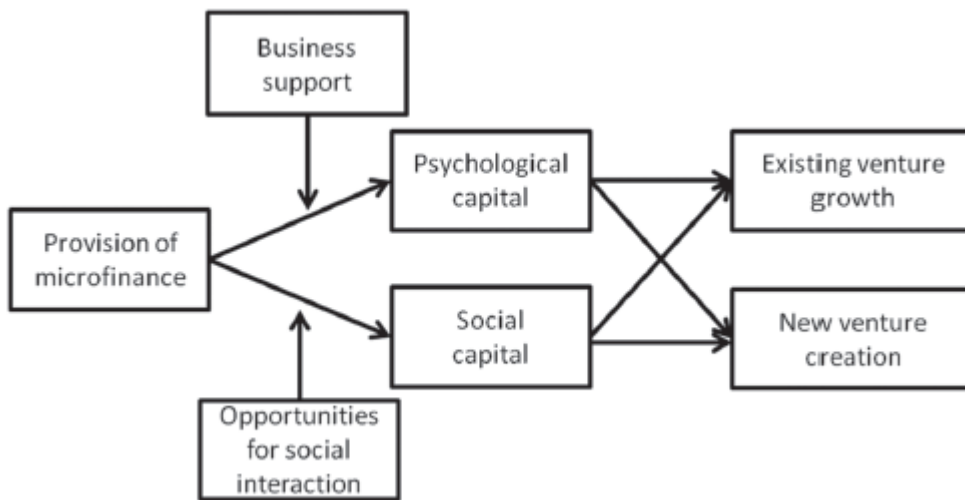


Figure 2 The provision of microfinance enhances psychological capital and social capital (Newman et al. 2014)

The theoretical framework developed by Newman et al. (2014, 159-160) depicts that the assistance from microfinance for the entrepreneurs are including in not only “business support” but also the creation of opportunities to enhance “social interaction”, building trust in order that social networks are much potential to be favorable for their businesses. Simultaneously, it is highlighted that the provision of microfinance has an impact towards entrepreneurial outcomes as well as enhances psychological capital and social capital of entrepreneurs.

Meanwhile, most recent studies focused on the analysis of both types of capital in women entrepreneurship in some emerging countries such as India and Bangladesh, but the context of Vietnam is less focused on these issues. Hence, Vietnam was selected at the center of my study with a desire to dig deep into the relationships of microfinance and women entrepreneurship in connection with the promotion of venture growth and facilitation of new venture creation in the context of Vietnam. Firstly, the study aims to explore

the mechanism of microfinance designated by microfinance institutions including the provision of financial services and social services in the focus of female orientation. Then it could reveal how microfinance influences the attitude and behavior of female entrepreneurs as well as the increase of significant resources for them.

Looking at some empirical data, the access to microcredit in developing countries like Vietnam has indeed opened new horizons for women in poor-and-near-poor community in establishing their own businesses. Although the early phases of projects coped with the difficulties in approaching poor women and enabling them to understand about the benefits of microfinance in the improvement of life quality, there has been still concrete evidences of the success of microfinance in Vietnam so far. Besides, extensive studies regarding microfinance situations to be implemented in Vietnam as well as the aspects of psychological and social capital in female entrepreneurs have been scrutinized yet. Therefore, by the choice of Vietnam-based context, I would like to clarify the outcomes from microfinance program provided by Vietnamese MFIs and through the study, it could be explainable that the necessity of participation into microfinance programs in developing countries enables the emergence of resources of female entrepreneurs to occur in a favorable manner.

Research questions

To pursue mentioned-above targets, there are two sub-questions to be taken into consideration. It will help to summarize the important points in main research question.

The first issue to be revealed is that how women experienced the transformational psychological state in their entrepreneurial activities. To start or expand a business in the resource-constrained setting, their uses of psychological forces in handling tasks towards the success are noticeable. Therefore, the first sub-question is:

- **SQ1: What is the role of psychological capital in women entrepreneurship?**

Beside psychological capital, social capital of women through the networks and other relationships are also analyzed. In the communities where female entrepreneurs are embedded into, the strong and weak ties play an important role in action-taking and decision-making process of entrepreneurial activities. The venture growth, as a result, depends on how firm these kinds of relationships are. Hence, second sub-question focuses on this issue as followed:

- **SQ2: What is the role of social capital in women entrepreneurship?**

Based on the assessment of two sub-questions, the study aims at an exploration of the mechanism or the process applied by MFIs in their efforts of supporting women entrepreneurs. Such process probably affects the changes in their capitals and more significantly, the likelihood of a business creation can be under that effect. In terms of psychological capital, the confidence of female entrepreneurs is expected to be higher as per the objective of microfinance because the mental pressure from lack of credit seems to be mitigated. Regarding the relations in social capital, the creditworthiness of a member in group-based lending is considerable when it is linked to repayment responsibilities of all members as the rule of joint-liability. As for women entrepreneurs, the trust that is established among the members in groups or their networks can influence both the action of women and the performances of venture growth. Thus, it is reasonable to construct the factors of psychological capital and social capital from the influence of microfinance movement as hereinafter main research question:

- **RQ: How does microfinance impact the outcomes of women entrepreneurship through the improvement of psychological capital and social capital?**

1.3 The structure of the study

The study is divided into six sections with the aim of reflecting the impact of microfinance to the emergence of resources in women entrepreneurship. The first section is an introduction about the phenomenon of microfinance, how it works in the world, what it has been achieved since 1970s until now. In this part, some explanation about main features in the revolution of microfinance applied into developing countries. Following section is the concentration on theoretical frameworks. In this section, first focal point contains resource-based theory and the relationship with entrepreneurship. And then further review is presented in terms of microfinance and women entrepreneurship as well as the improvement of two types of capital. The third section reflects the selection of methodology as well as how data is collected and analyzed in a proper order. By qualitative-based study using first and secondary data, it can describe about the model of microfinance in its influence towards women entrepreneurship from insider perspectives. Then the fourth section reveals about the results from the study through analysis of case studies and interviews in order that summarize main findings in response to the research questions. The

following section is the discussion detailing about the impact of microfinance to entrepreneurial outcomes in two dimensions of intangible resources. The last section summarizes as a comprehensive conclusion for entire study. It is possible to contribute to theoretical framework as well as exhibit some implications to microfinance movement and women entrepreneurship.

2 LITERATURE REVIEW

In this section, it provides a critical review of relevant literature to manifest the role of intangible resources in women entrepreneurship under the influence of microfinance. Accordingly, Chapter 2.1 introduces the foundation of theories serving for this study: starting from resource-based theory with the emphasis on firm resources and the creation of competitive advantage, following by the correlation of resource-based view and the realm of entrepreneurship in the aspect of exploiting opportunities and heterogeneous resources. Then Chapter 2.2 reveals intangible resources for women-owned businesses, consisting of psychological capital and social capital. Lastly, Chapter 2.3 depicts the driving forces for the success of women in connection to microfinance services. Also, in this chapter, a synthesis is implemented when assessing the role of each capital to women entrepreneurship in the context of microfinance.

2.1 Entrepreneurship and resource-based theory

2.1.1 Resource-based theory

To start with, the findings from Barney (1991, 99) regarding resource-based view is a foundation to explain about taking advantage of resources in strategic management. Such theory supports the perspective about exploitation of internal strengths in order to cope with threats and respond to the opportunities from external environment as well as mitigate internal weakness. By implementing this strategy, the firm can gain competitive advantage. In the arguments of Barney, he puts his model in comparison with other models regarding competitive advantage. It is argued that Michael Porter's model and his colleagues focused on the separate analysis of opportunities and threats in the competitive environment where a firm is embedded into, providing the attributes of favorable environmental conditions for higher performance and then offering the strategies for internal factors of strengths and weakness. Meanwhile, Barney (1991, 100) is more interested in the internal analysis regarding the characteristics and competencies of the firm. Hereafter does Figure 3 illustrate the relationship of resource-based view with prior studies, especially the analysis of strengths, weakness, opportunities and threats and "model of industry attractiveness":

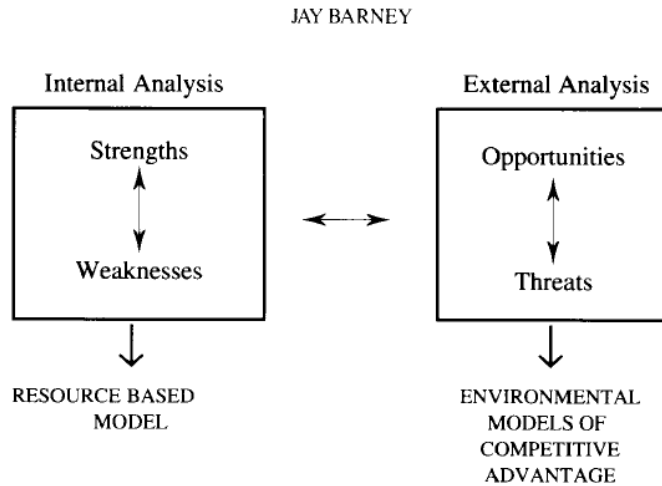


Figure 3 The relationship of resource-based model with traditional models (Barney, 1991, 100)

In the field of strategic management, the strengths of the firm are characterized by the resources that the firm can control and build the strategies to enhance “efficiency and effectiveness” of firm performance (Barney 1991, 100). Resources are not only used for the process of transforming inputs into outputs but also the competencies implementing the course of actions to utilize resources for firm’s goal count as a type of resource (Bacq & Eddleston 2018, 590). According to this perspective, the firm is figured as a bundle of resources (Barney, 1991; Bacq & Eddleston 2018, 590). Although all resources can serve the aim of strategy planning, it is unlikely that all of them have same impact to the creation of competitive advantage. The resource is on its own function to reflect either strengths or weakness of the firm (Wernerfelt 1984, 172). Therefore, it is needed to clarify which conditions of firm resources to assure competitive advantage for the firm. Barney (1991) along with Barney, Wright and Ketchen (2001) summarize that the resources should be valuable, rare, costly to imitate and non-substitute in order to generate sustained competitive advantage. It is also noticed that sustained competitive advantage is not understood apparently that it will exist in a long time but refers to the incompetency of the competitors with an effort to implement same strategy as the firm which possesses that advantage. It is also determined that the occurrence of competition creates competitive advantage when the firms compete to hold “product market positions” as the study of Michael Porter with respect to competitive advantage in 1985. More precisely it is the competition regarding the resources possessed by the firms, which is a source of competitive advantage (Ireland, Hitt & Sirmon 2003, 964). To add up, Wernerfelt (1984, 173) agrees that the

firm usually wants to hold a resource position which restrain others to catch up in the situation when resource position barriers exist in some point of time. Resource position barrier in that case is likely to be identical to entry barrier which exists in the relationship of incumbents and new entrants.

Another aspect should be mentioned is some influential factors to the inimitability of resources realized by Barney (1991, 107-110) regarding the uniqueness of historical paths, causal ambiguity and social complexity. Firstly, when a firm possess the resources which are strictly depends on particular time and space in the past, it means that that firm is attached to unique historical events. Such uniqueness enables these resources not to be easily replicated by other competitors. Secondly, causal ambiguity occurs when the relation between the matter of which resources should be significant for firm success and the outcome of gaining sustained competitive advantage is not totally clear to perceive. The competitors seem not to find out exact resources creating competitive advantages even when they know about some of the resources possessed by the firm, thus the more problematic the tie-in is, the more difficult the imitation of success-oriented strategies becomes. Lastly, it is realized that the attribute of imperfectly imitable resources has strong ties with social complexity. The social complex resources could be the reputation of the firm in the relationships with other firms and customers or the organizational culture of the firm. Social complexity demonstrate that the firm is unlikely to manage these resources in a direct manner although the resources still can deliver value in some extent to the firm. Due to that reason, this kind of resource is hard to be imitated (Barney, 1991, 107-110).

Concurrently, two assumptions are highlighted in Barney's resource-based view. Firstly, it is assumed that the resources controlled by the firm should be different from other rivals, which emphasizes on the heterogeneity of firm resources. Secondly, these resources should be immobile across the firms, otherwise the resource heterogeneity appears to be short-lived. The meaning behind these assumptions is explained that if the resources of the firms are identical and can be mobile easily among the competitors in an industry, there is in all probability a chance for the competitors for duplication. As a result, same strategies are implemented by the competitors by identifying similar opportunities and exploiting them. Under that circumstance, competitive advantage cannot be obtained. By contrast, the competing firms in an industry encounters the barriers to entry or restriction to mobility and simultaneously these firms are unable to acquire similar strategic resources to implement the strategies because of this restriction. That is when

sustained competitive advantage is potential to be obtained by the firms which possess differential bundle of resources at their management. Hence it is asserted that these assumptions are significantly considered in resource-based theory.

To conclude, the resource-based theory provides fundamentals to explain about the firm performance and understand about the attributes of resources to be exploited for firm success. It is useful to apply the framework in multi-facets as well as the focus of study regarding entrepreneurship in following section.

2.1.2 The conjunction of resource-based theory and entrepreneurship studies

In fact, resource-based theory has a great contribution to strategic management which is represented by the advantage-seeking behavior of the firms to outperform the competitors with value-creating strategy (Ireland et al. 2003, 965). The implications of resource-based framework have been delivered further in many fields such as human resources management, finance, marketing, international business and entrepreneurship. It is apparent that the findings from contemporary researchers helps to extend the boundaries in the principles of resource-based view in practicality and contribute to clarify the specified aspects of resources in their impacts to each of the fields. For instance, in human resources management, dynamic capabilities together with knowledge base draw much attention of the managers in promoting the competence of employees in firms; in economics, resource-based view is considered as “a dynamic theory” allowing explanatory arguments regarding significant changes within firms, the evolution of industries in the market and innovation associated with diversified products in firms (Barney, Wright & Ketchen 2001, 628).

Although the level of analysis of resource-based theory is firm-oriented, the extension of boundaries of resource-based theory is practical in multiple fields. At first, it is critical to determine what constitutes a resource (Kellermanns et al., 2016, 27). From viewpoints of researchers in resource-based theory, the resources can be “organizational capabilities” in established firms, which creates the differences among firms. Meanwhile, the domain of entrepreneurship is associated with individual cognition of seeking distinguishing opportunities in entrepreneurial ventures, which is considered as a type of resource. It is realized that resource as being the unit of analysis can be applicable in both resource-based theory and entrepreneurship studies (Alvarez & Busenitz 2011, 756).

When assessing resource-based view together with the theories of entrepreneurship, the researchers agree that they share strong bonds in terms of opportunities exploitation and resource heterogeneity.

- *Exploitation of opportunity*: Sarasvathy (2001, 249) reveals that the opportunity is a core factor of entrepreneurial process including opportunity recognition, exploration and exploitation. In order to identify unique opportunities, it is also essential for the entrepreneurs to perceive about the value of resources and then how to coordinate them to create economic rents better than others can (Alvarez & Busenitz 2011, Barney et al. 2001). Meanwhile, Barney (1991, 106) explains that the resources is valuable only when the opportunities are exploited and the threats in external environment are neutralized by these resources. Additionally, it is noticed that there is the connection of the theories of entrepreneurship with causal ambiguity and social complexity of resource-based view. Indeed, the causal ambiguity becomes essential when an entrepreneur identify the opportunities which are not uncovered by other people. It also means that the ambiguity restrains the probability of opportunity exploitation by other entrepreneurs towards venture creation. Likewise, the effect of a socially complex contributes to how hard these opportunities are recognized by other people.
- *Heterogeneous resources*: In order to clarify the value of the resources serving entrepreneurial activities, it is critical to understand about the heterogeneity of resources in both perspectives. Indeed, the heterogeneity of resources is characterized as one underlying condition to gain sustained competitive advantage in resource-based theory although it is needed to assess other conditions of resources such as inimitability, imperfectly mobility. As for the entrepreneurship, Alvarez and Busenitz (2011, 763) underline that heterogeneous resources are significant in the discovery of entrepreneurial opportunities. Such opportunities emerge in the situation when different entrepreneurs have exceptional insight about the opportunities that are unaware of or yet to be exploited by others. For instance, it is the discovery of opportunity pertaining to new goods or services to create value for customers in an achievable manner. This ability is defined as “entrepreneurial alertness” in relation to the cognition of entrepreneurs. Accordingly, the exceptional insight also stimulates the entrepreneurial behavior regarding exploration and pursuit of opportunities, which are a type of resource. Besides, entrepreneurial opportunities originate from the consequence of information asymmetry in the market, which does not enable all individuals to recognize these opportunities. Because it leads to the variation of their beliefs in terms of value of current and potential resources (Ireland et al. 2003, 968). Barney et

al. (2001) also add up that the entrepreneurs themselves are not likely to be homogeneous entities when an individual can exhibit unique skills or possess superior expertise and know how to organize resources in an integrated system to create advantage. They are, hence, the illustrations of the cognition, knowledge and capability of entrepreneurs as being heterogeneous resources (Barney et al. 2001, 628).

On the other hand, it is admitted that the intersection of strategic management and entrepreneurship can enhance the entrepreneurial activities, especially when entrepreneurs are good at identifying entrepreneurial opportunities but are incompetent to strengthen competitive advantages for more effective exploitation of opportunities (Ireland et al. 2003, 966). Even though there is a substantial difference in theories of strategic management and entrepreneurship residing in the scope and structure of targeted business. The studies in the field of strategic management is more attached to large and well-structured organizations, whereas the domain of entrepreneurship deal with the issues of small and newly-established business venture regarding individuals or groups of individuals. Accordingly, strategic management studies concentrate on resources as firm's capabilities, whereas entrepreneurship studies require the seeking and use of diverse resources for venture survival (Kellermanns et al .2016, 27). Nevertheless, when the entrepreneurs integrate opportunity-seeking and advantage-seeking behaviors, it helps to allocate the resources to achieve the optimal outcomes and bring out the possibility of innovation to be exploited through the identification of innovation-based opportunities (Ireland & Webb 2007, 50). In other words, by utilizing the attributes of both fields as balancing between exploration and exploitation of opportunities for fostering innovative activities, it is a source of competitive advantage to determinate the success of the business.

In conclusion, the adaptation of strategic management studies with the resource-based view in the entrepreneurship is useful to understand about internal capabilities and resource acquisition of entrepreneurs for maximizing their values adding to their success.

2.1.3 Types of resources in entrepreneurship

In order to understand about how entrepreneurs manage to implement entrepreneurial activities, it is necessary to perform a careful inspection in accessible resources that are associated with the entrepreneurs. These distinctive resources vary from one entrepreneur to the other, which constitutes competitive advantage for each of them. For instance, when

it comes to entrepreneurship, it is important to possess specialized knowledge defined by Alvarez and Busenitz (2001) regarding new opportunity arising from the environment or the potential opportunity to create new product. The entrepreneur might does not possess specialized knowledge as expertise in a field, however, during the discovery of new opportunity, if he or she can recognize the value of the knowledge and know how to organize it for further benefits, it is considered as a tacit knowledge as well as a significant intangible resource (Alvarez & Busenitz 2001, 760). Because the tacit knowledge by nature is indeed hard to transfer to others and exist in “uncodified routines”, it is a source of competitive advantage for the firm (Ireland et al. 2003, 974).

In the studies of Kellermans et al. (2016, 29), there are some different dimensions regarding resource conceptualization to be used in the perspectives of researchers and entrepreneurs. Researchers mostly focus on “human capital”, “creation” and “firm” which is associated with “physical capital” and “assets”. Meanwhile the most emphasis of entrepreneurs is on “creation”, “human capital”, “firm” with “relationship capital” and “assets”. The analogy among these perspectives is in the matter of the resource outcome as value creation and the success of the firm when exploiting resources, “highlighting the importance of those resources to organizational functioning and performance” (Kellermans et al. 2016, 37). Additionally, Barney (1991, 101) selects resource classification for a firm into three types to be appropriate for resource-based view: physical capital resources, human capital resources and organizational capital resources. Meanwhile, the studies of entrepreneurship divide firm resources into three categories: financial capital as tangible assets, human capital and social capital as intangible assets (Ireland et al. 2003; Baluku, Kikooma & Kibanja, 2016). Based on these classifications, the key resources are perceived into two types as following:

Firstly, physical capital resources or tangible assets represents physical assets as land, machines, buildings, raw materials (Barney, 1991, 101). They are the means for altering inputs into outputs for the firms. Financial capital also belongs to this group as all types of monetary resources, which are used to acquire other tangible resources and intangible resources. Tangible resources are less likely to create competitive advantage for the firm because they are easily acquired in the market and the competitors might replicate these resources in one point of time (Ireland et al. 2003, 974).

Secondly, the other resources are intangible assets which are the knowledge, capabilities, intellectual property, employees and managers, the relationships among the people within a firm and the organizational structure inside that firm (Barney, 1991, 101). These

intangible resources are likely to have more potential to exploit to gain sustainable competitive advantages. The most noticeable resources in this category is *human capital* and *social capital*. The linkage of these two resources with financial capital is critical. Because human capital represents knowledge base that is essential to maximize the effect of financial capital. Simultaneously, the idiosyncrasies of human capital and social capital in a business venture determine about how many financial resources are expected to acquire (Ireland et al. 2003, 974). Knowledge in human capital, together with financial capital, becomes the key factors in venture success for micro-entrepreneurs in emerging countries (Baluku et al. 2016, 28). Baluku et al (2016, 28) also argues that the less noticeable resource in the entrepreneurship's literature is *psychological capital*. The attributes of psychological capital, in fact, can contribute to the success or failure of entrepreneurs.

On the other hand, Kellermans et al. (2016, 40) admit that organizational capital as intangible resource and physical capital as tangible resources are not critically concentrated on in most studies of entrepreneurship. The lack of supporting perspectives on these resources exists because they are assessed to constrain the flexibility of the firm to compete with other firms and influence "organizational advantages". It is revealed that the entrepreneurs perceive organizational advantages associated with the resources, however, the competition is not related to their success and value creation. It means that the element of competition towards firm's performance from resource-based view is not appreciated in the realm of entrepreneurship. In fact, the entrepreneurs are concerned with "relationship capital" or social capital to a greater extent, especially in large and well-organized firms. By the influence of social capital, the firm can approach more easily to other firm resources. In other words, ventures in the field of entrepreneurship are created based on the relationships.

To sum up, as for entrepreneurs, focusing on traditional tangible resources is not enough for the creation of value and success achievement, especially in dynamic and continuously changing environment. Therefore, human-based dynamic capabilities are at focal points to be configured in order to response to transformational environment by leveraging these resources "on an ongoing basis" (Luthans, Youssef-Morgan & Avolio 2015, 4). In following sections, my discussion will concentrate on the psychological capital and social capital as significant intangible resources of entrepreneurs in the procedure of seeking the success of business and venture growth, especially for women entrepreneurs.

2.2 Intangible resources of entrepreneurs

2.2.1 Psychological capital

Psychological capital or PsyCap is a widely-used concept in social sciences. It has been also analyzed acutely in the studies of organizational behavior. In the studies of psychological capital, Luthans et al. (2007, 2008) focus on “positive organizational behavior” which is characterized by “human resource strengths and psychological capacities” for the purpose of performance enhancement. And psychological capital is expressive for the literature of positive organizational behavior. Moreover, in terms of strategic management, psychological capital is considered as one of strategic resources when evaluating the possibility of gaining competitive advantage (Sarwar, Nadeem & Aftab, 2017, 1). In Dynamic selection model of Parker (2004), it provides the perspectives regarding the necessity of entrepreneurial competences to follow entrepreneurial paths for long. When the abilities are restricted, the entrepreneurs seem to quickly withdraw from entrepreneurial activities. In that case, the psychological resources are likely to be critical to keep them preserve at their self-employment (Baluku et al 2016, 29).

In order to conceptualize psychological capital, it is more than referring to “who you are” (Chang-Hyun 2017, 709) and in higher level of development, it should reflect “who are you capable of becoming” in all probability (Luthans et al., 2015, 6). It is actually different from human capital that defines “what you know” or the knowledge, skills and competences obtained through education and own perception on the explicit and implicit basis. It is also not coincidental to social capital that is related to “who you know” or the position in a complex network constituted by closest peoples and external professional relationships as well promising linkages to be established from these networks (Luthans et al., 2015; Sarwar et al., 2017).

On the other hand, psychological capital is pertaining to the interpretation of the state-like than the trait-like of an individual (Luthans et al. 2007, 2015). Besides, Luthans et al (2007, 543) ascertain that there is the difference between state-like nature in psychological capital and other trait-like constructs of organizational behavior (like “Big Five personality dimensions or core self-evaluations”). Trait-like construct is associated with immutable personality and stability to some extent, for instance, the intelligence, competency and skills. Meanwhile, state-like characteristic reflects the factor of not being stable and having possibility to alter. Moreover, PsyCap is considered as “higher-order con-

struct”, “core-positive factor” representing by the emotions with higher positiveness (Luthans et al. 2007, 566). It is concluded that there are four characteristics of psychological state that an individual can change and develop: *self-efficacy*, *optimism*, *hope* and *resilience*. These four constructs are the core of psychological capital studies although some researchers perceive about several positive psychological factors as “wisdom”, “courage”, “psychological well-being”, ... to be related to the organizational behavior. (Luthans et al. 2008, 221). To be specifically, main four characteristics express how an individual behaves and expresses emotions in their actions to achieve goals for the success. *Self-efficacy* refers to the individual’s belief in his or her ability to handle crucial tasks and more effort is put on that implementing process to gain success. *Optimism* is perceived as the state when an individual has positive attitudes of success attainment over time. *Hope* is the feeling of persistence and strongly belief on achieving given objectives with essential changes if needed. And the last one is *resilience*, which is denoted by the state of maintaining and recuperating quickly to attain success regardless of hardship and obstacles (Luthans et al. 2007, 2008; Luthans et al. 2015).

- *Self-efficacy*: The conceptualization of self-efficacy is grounded in the theory of social cognitive. It is determined by the working environment where an employee believe in his or her competences to execute the tasks in a required time frame. The researchers state that self-efficacy is related to the individual’s performance and describes the main feature of it as “indirect modeling and experience, performance achievements” (Sarwar et al. 2017, 3). Besides, Luthans et al (2008, 222) refer that self-efficacy is the most appropriate construct in the criteria of positive organizational behavior. At the same time, they point out that work performance is strongly related to self-efficacy.
- *Optimism*: Optimism is perceived by Baluku et al. (2016, 31) as “a motivating psychological force” in faith creation towards the possibilities of success following by action-taking and commitment. The more optimistic they are, the more likely they are to participate in entrepreneurial activities. The optimism is also associated with self-efficacy.
- *Hope*: It is known that hope illuminates the manner or method to follow up towards the path of success. Consequently, the positive outcomes to be achieved are the satisfaction and commitment with the work. Besides, the persons who are full of hope are characterized by their enthusiasm in finding different pathways to achieve given objectives. Even the difficulties are encountered, they are willing to “take risks” and find out the solutions for gaining success with all their dedications. It also makes them to be “independent thinkers” (Sarwar et al 2017,

3). Likewise, Luthans et al. (2007, 2008) emphasize that “hope” is closely related to the “agency” which is the goal-oriented will and motivation, and the “pathways” which are plans to achieve the given goals. Therefore, when an individual is hopeful, he or she displays determination to fulfil tasks and the capability of finding alternatives until the goal is achieved.

- *Resilience*: Resilience is a positive state of an individual who is able to take risks and confront the challenges as well as possess all the enthusiasm and optimism towards life (Sarwar et al 2017, 4). It is also the strength which is exhibited by “coping responses” and “adaptation” in the negative or positive circumstances. Such psychological strength enables individuals to have positive reaction towards any adversity, the failure and uncertainties (Luthans et al. 2008, 222). It is said that thanks to high resilience, that individual can still get over the obstacles, be aggressive in life and continuously explore the solutions to achieve expected results. They are thus called as innovative people.

On the other hand, there are several studies conducted by Baluku et al (2018, 4-5) pointing out that psychological capital contributes to the entrepreneurial success including the performance as well as the satisfaction with their careers. Psychological capital is associated with the mental features of capabilities and represents a positive cognition. The entrepreneurs who have positive thinking tend to acquire knowledge from what they experienced and know how to adapt to the environment with high level of mobility for the purpose of success. The constructs of psychological capital are assessed to be significantly related to entrepreneurial efforts, for instance, in order to identify the entrepreneurial opportunities. Therefore, the acquisition of that resource is essential at the start of entrepreneurship or it is demandingly to invest into cognitive capital adequately for desired outcomes (Baluku et al 2018, 4-5). In the organizational scale, Sarwar et al (2017, 5) ascertain that psychological capital has a direct correlation with the success of project implementation in organizations if some traits such as “emotional stability, leadership motivation and assertiveness” are corresponding to the role of employees within that organization. They conclude that many benefits would be gained when an organization focus on the aspect of psychological capital compared to others who do not. Moreover, high level of psychological capital representing by four state-like constructs allows individuals to confront challenges better than those with lower one in a dynamic environment in global setting. Therefore, the investment of psychological capital can which is supposed to be significantly beneficial beside the investment of other types of capital like human or social capital (Luthans et al. 2007, 568). Also, Luthans et al (2007, 568) imply that

when the relationship between psychological capital in general and outcomes (performance, satisfaction towards work) is apparently positive. In that case, the consistence of expected outcomes is better compared to the effect of each components in psychological capital.

In other perspective, Sarwar et al (2017, 11) present that three factors of self-efficacy, optimism and resilience are positively significant in the relation with the success of a project, whereas the influence of hope is not substantial. They also discover that when an environment facilitates the high level of four states of psychological capital, the individual who is embedded in that environment, feel motivated to handle tasks and increase productivity, which results in the success of a project. In addition, it is known that the trust has considerate contribution to the success. Baluku et al (2016, 45) reveals that the significant relation towards the success of entrepreneurs only occurs in three states: hope, optimism and trust. Other states like the resilience and self-efficacy simply affect the chance of success and long-term survival for entrepreneurs. It is also said that the strongest influence of optimism as one of psychological capital to venture success is ascertained. Under the effect of psychological capital, the entrepreneurs, in all probability, get access to better opportunities to succeed in their businesses. However, when an entrepreneur has high level of optimism in combination with start-up capital, the likelihood of success achievement can be higher.

2.2.2 Social capital

There have been several definitions of social capital given by many researchers in the field of economics and sociology. Coleman (1988, 96) is the first research who introduced models of economics to the studies of social interaction provided by sociologists. He defines that social capital is formed by all facets of social structures and influence the actions of the actors who are either in individual or organizational level in a relational structure. He also criticizes about the sociological stream when the environment can shape the actor but does not motivate that actor to follow a specific direction of action. Meanwhile, the economic stream perceives that social context forms the manner and behavior of a person through norms, social connections, organizational networks in society and in economy. Such capital is thus more specific to particular set of actions implemented by actors (Coleman, 1988, 96). Additionally, Putnam (1995, 2000) emphasizes on the sociological perspectives of social capital as being social networks together with norms and social trust

to be placed into synergy and collaborative relations to obtain common objectives. Meanwhile, social capital is also conceptualized as “the sum of resources that accrue to an individual or group” through the networks. It refers to the establishment and maintenance of networks on which the behavioral patterns predicate (Cope, Jack & Rose 2007, 213). Such view of Cope et al. (2007, 214) underlines the economic aspect of social capital, which seems to be more appropriate for the research in regard to entrepreneurship.

In fact, many studies in entrepreneurship tend to concentrate on the characteristics in entrepreneurial personalities, traits or behaviors, which reflects the “individualistic” entrepreneurship. Despite that, the researchers do not neglect the perception of entrepreneurship in the broader aspect: put it in social networks because the economic activities occur in the social context. In fact, within social situations in which any individual is embedded, they have both strong and weak ties to be assembled and based on these linkages, that individual could take initiative to gain benefits from extensive social relations (Hulsink, Elfring & Stam 2008, 3). For instance, the social networks facilitate the exchange of information, shared knowledge, skills, the support and finance from external resources (Cope et al. 2007, 214), consequently, it is the transformation of learned knowledge into tacit knowledge of an individual. Regarding “strong ties”, they refer to the closest relationships of that individual such as family, friends, who are truly trustworthy. However, when the resources from this network is supposedly to be limited, he or she needs to find the support outside of close contacts or “weak ties”. Hulsink et al. (2008, 2) also argue that when the entrepreneurial firms cope with internal resources constraints, they can take advantage from the external relationship with “complementors” such as partners, investors. They confirm that this linkage could increase complementary resources to internal competencies. Furthermore, Cope et al. (2007, 214) add up that the expansion of external networks depends on the connection with educational, economic, social organizations. In other studies, Casson and Giusta (2007, 237-238) argue that the essence of vertical networks contributes to the productive benefits of horizontal networks. Horizontal networks are related to the connection between people engaged in similar industry or they are operating in same phase of activity as a team where the coordination between members is vital. And vertical networks which are linked to the exchange of “flows of information” among people in different phases or different activities. In fact, at the stage of opportunity seeking, as for entrepreneurs, it is vital to collect important information from available networks. The entrepreneurs can also seek from many sources of information beside their own observations. For instance, there are some social events

which may be designed exclusively for different people in different areas of expert. According to that, in a social event held on a regularly basis with diversified people's involvement, the possibility of networking is achievable, and it is likely that numerous opportunities could be found. The circulation of people in such events allows them to engage in further discussion after the brief guidance or lecture. The people can do exchange of information freely as long as the information is important and worthy to be traded to one another. Especially in "high structured social groups", the networking facilitates the participants to acquire resources and unveil the degree of trust among peoples (Casson & Giusta 2007, 233). Therefore, these arguments crystalize the role of networking in the accumulation of necessary resources for entrepreneurs.

Moreover, it is known that the entrepreneurship is related to the manner of entrepreneurs in connection with the environment through a series of action as exploring and exploiting opportunities (Shook, Priem, McGee 2003, 379). It means that the interaction of entrepreneurs with surroundings and people in that context is critical for entrepreneurial activities. In social capital, there are two remarkable aspects of "relational embeddedness" and "structural embeddedness" in the community to which the entrepreneurs belong to be manifested. Firstly, relational embeddedness could be explorable through the degree of connection in relations or we call strong ties and weak ties. Secondly, the structural embeddedness is more associated with the structure of networks, defining the position of an individual or company in that network. Such position should be "rich in structural holes" facilitating in pursuit of strategic advantage. In short, these two aspects have the impact to firm performance (Hulsink et al. 2008, 15).

It is undoubtful that having social competence is vital to build relations, networks, collaborations with relevant and important persons. The social competence is depicted as the ability of entrepreneurs to have an effective interaction with people around them such as investors, suppliers, customers and other stakeholders... by showing off the adaptation, making impression and convincing (Baluku et al. 2018, 6). On the other hand, Bowey and Easton (2007, 273) discuss that the changes in social capital vary in the positive or negative way are driven by entrepreneurial networks. Regardless of tendency, "similar modus operandi" is applied by them through activities such as "reciprocal trading of favours, socializing, joint problem-solving, delivering to expectation and using transparent communications". The researchers also explain that in social capital, there are some important components to be taken into consideration. Firstly, trust among people is critical to have a reliable network and lower the issues of opportunism. For entrepreneurs, enduring trust

with resilient mechanism is more concerned about. Secondly, reciprocity is a form of responsibility in social capital and it is also closely connected to social trust. Thirdly, reputation is a significant aspect in social capital because it is believed that when entrepreneurs invest in trustworthy relations with “favorable social identity”, the positive benefits would be gained. In Figure 4, there are listed driving forces and factors affecting the possibility of increasing social capital, which is a combination of resources access, ideology, the compatibility of actor’s interests.

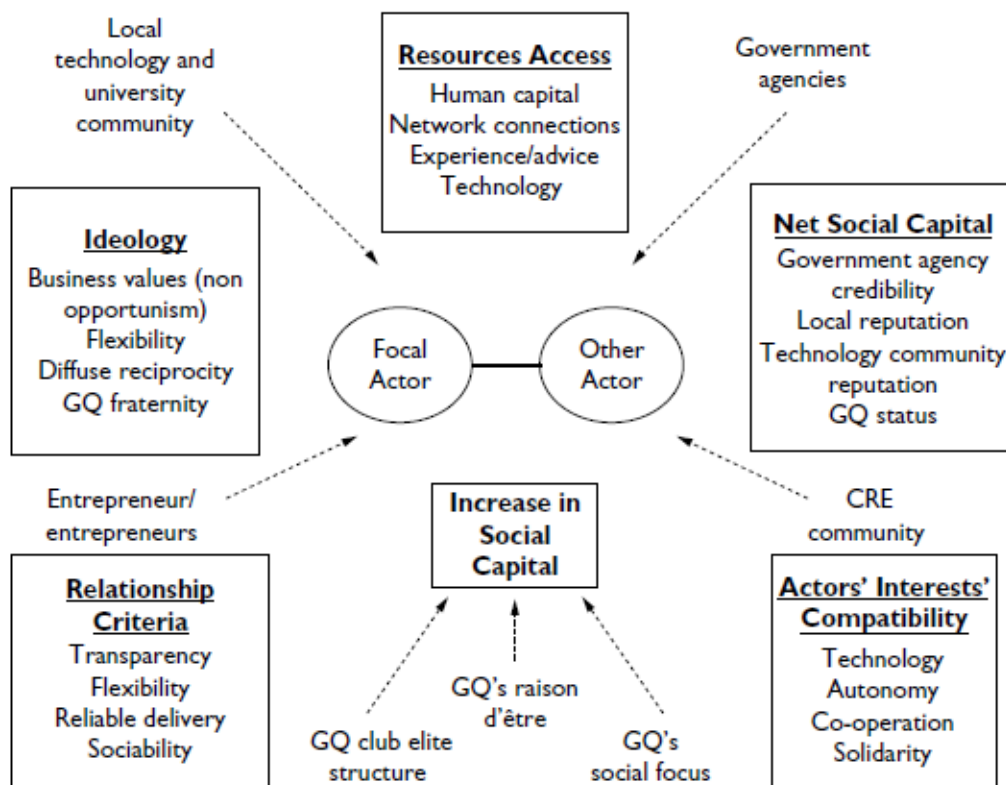


Figure 4 Driving forces and factors facilitate the increase in social capital (Bowey & Easton, 2007)

Furthermore, it is recognized that the networking is a dynamic course of action, not a static process (Casson and Giusta, 2007; Hulsink et al. 2008). Because the “exchanging information, building trust and pooling resources” should be developed gradually, networking requires the progress for a while (Hulsink et al. 2008, 5). The development of social capital is supposedly more complex with the influence from social and economic context which helps to strengthen or deter the situation (Bowey & Easton, 2007, 280). Moreover, the dynamic feature of network is implied in the situation “in which latent ties

may become manifest, and manifest ties may become dormant”. According to that, the existence of old and new ties supports the growth of a company (Hulsink et al. 2008, 5). The dynamic to networks is even created by entrepreneurial efforts. It means that entrepreneurs take advantage of networking to seek opportunities, but in return, the entrepreneurial activity can alter “network structures”. Besides, the impact of networking depends on the unit of analysis to be studied. In local level, the face-to-face contact could be taken into consideration. However, when assessing the use of specific resources in a particular movement or specific sectors, the exploration in the regional level is essential in order to understand about the impact to the wider extent (Casson & Giusta 2007, 222).

2.3 Microfinance and women entrepreneurship

2.3.1 The essential factors for the success of women entrepreneurs

Microfinance has experienced the changes since first introduction of Grameen Bank in Bangladesh since 1983. Initially the term of microfinance is characterized mostly by microcredit for poor people. The poor people are known to be associated with “small economic activities” for income generation in poor households. Gradually, the operation of microfinance movement is expanded to further services like savings, insurance, etc. to meet more demands of clients.

The evolution of microfinance is illustrated by building objective of financial inclusion together with the efforts of sustainable development. Along with this process, the services are offered to the extensive targeted clients as near-poor, micro-enterprises and farmers. These groups of clients tend to not be eligible for taking loans from official financial providers but the demand from these individuals are high. The borrowers are supposed to be in need of credit for running or investing on their own businesses and other income-generating activities. That is why they has become a significant market segment aimed by MFIs as shown in Figure 5 below (Ferdousi, 2015, 53). It is apparent that the entrepreneurs have to encounter numerous challenges in every phase of entrepreneurial activities. When the dynamics of social context are unpredictable, it is unlikely that the success achievement is effortless. As for small businesses in developing countries, the failure is presumed to be unavoidable due to a lot of difficulties, so the level of the persistence and commitment to entrepreneurial activities becomes lower (Baluku et al, 2018, 1-2). In addition, Ferdousi (2015, 60) identify the constraints affecting the development of microentrepreneurs. Beside the influence from political context and lack of support

from local government, these entrepreneurs encounter the obstacles from their own situation such as incompetent skills for entrepreneurship, insufficient funds for running a business, lack of secure assets and collateral, low level of self-confidence. And women are presumed to be associated with these characteristics closely.

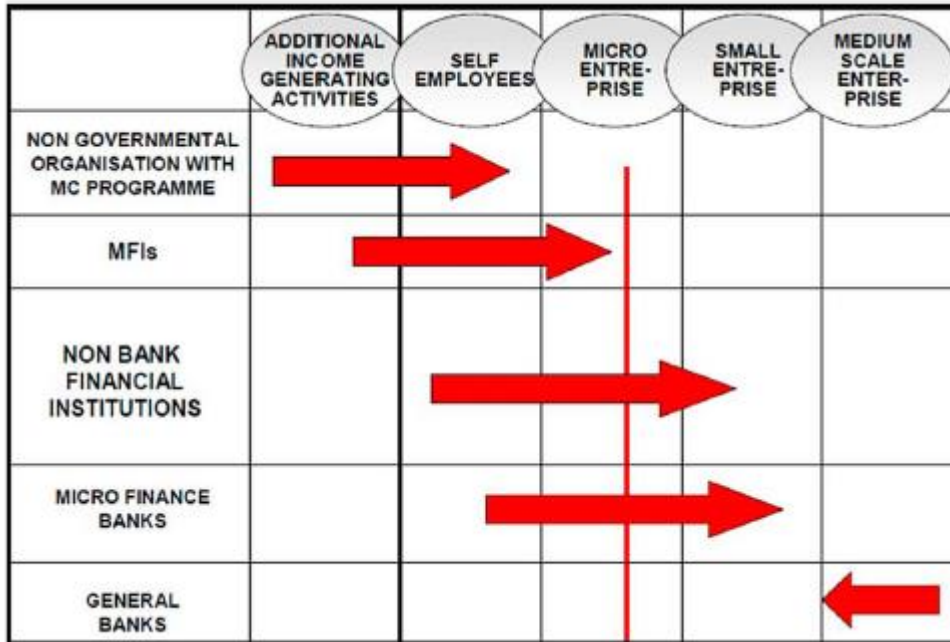


Figure 5 Evolution trends of organizations offering microfinance (Ferdousi 2015).

When it comes to women entrepreneurs, Ekpe et al. (2010, 255) emphasize that it is unlikely that the number of women engage in the economic activities much like the men do. The dominance of the perspectives supporting male entrepreneurship also overlook the importance of women involvement. Therefore, it is essential that the focus on women’s entrepreneurial efforts is taken into consideration and then figure out how they achieve success in their entrepreneurship (Digan et al. 2019, 206).

Indeed, the role of women in economic development is substantial in household scale, larger communities as well as the regional economic activities in emerging countries, however, the constraints holding that role back arise from poor setting, instable income and the segregated issues in the society (Dedunu & Wijewardana 2017, 1). To be more specifically, the obstacles might be insufficiency of capital, knowledge, low level of education, lack of training and ineffective social interactions. In developing countries, the women, consequently, are more likely to encounter the issues of poverty and inability of savings for household income as well as little reinvestment in their businesses (Ekpe

et al. 2010, 255). Therefore, the access to the microfinance for women can increase their roles in households' income generation as well as improve well-being and facilitate changes in gender perspectives in some extent (Dedunu & Wijewardana 2017, 1). Meanwhile, Angelucci, Karlan and Zinman (2015, 177) perceive that there is a possibility that loan from microfinance could be re-invested by females to expand current business and contribute to risk management. That is why elaborating how microfinance sector offers services is supposedly significant to the pathways of women entrepreneurship.

As for female entrepreneurs in low-income countries, they seem to be less knowledgeable from inadequate education than those from higher-income countries. Therefore, an important attribute of building competency for women entrepreneurs are the provision of training courses. By providing the opportunities of learning new knowledge and share among small communities, the improvement of "skills, attitudes and abilities" is undoubtedly significant for women entrepreneurs (Ekpe et al. 2010, 256). Hence the importance of training provision from micro-finance sector has become focal point for the women who want to run their businesses. To assure the success of venture, women entrepreneurs should be equipped with grounded knowledge before commencing their own businesses. Even though it is known that each entrepreneur needs to make use from educational base, prior working experience, skillful experiences as well social skills to support them in opportunity exploitation as a dimension of an entrepreneur. However, in the context of impoverishment, it is challenging for women entrepreneurs to attain them.

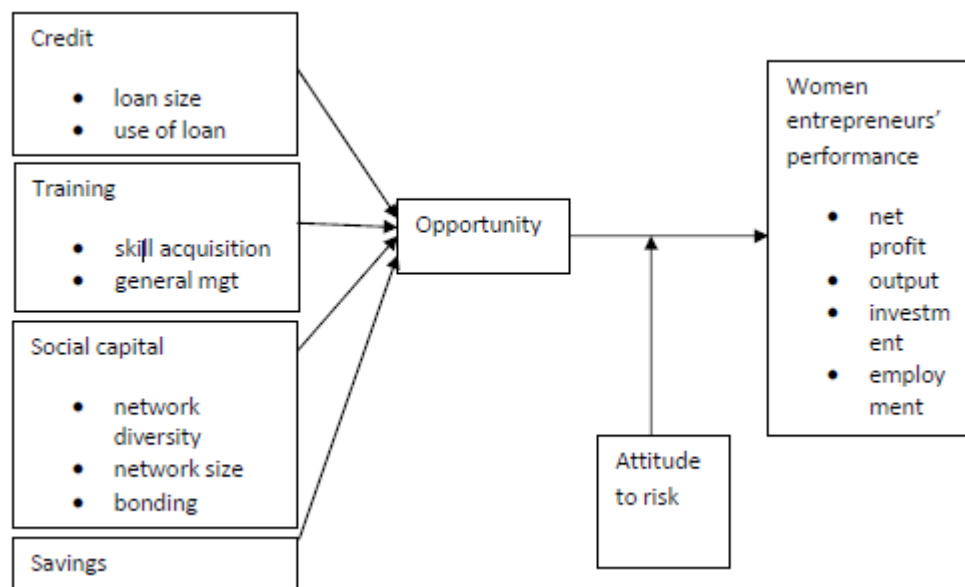


Figure 6 The relationship of credit, training, social capital and savings to women entrepreneurs' performance (Ekpe et al. 2010)

In order to exploit opportunities, there are four factors of credit, saving, social capital and training to be denoted in Figure 6 which also show an influence on the performance of women entrepreneurs. It enlightens that the microfinance sector aims at women to help them in poverty reduction and business support for venture creation through these activities. Apparently, under the circumstances do the clients without essential skills, the utilization of the services that MFIs offer is not possible, so training is a highlight (Ekpe et al., 2010, 256).

However, even though training has considerable contribution to competency increase for women, the explicit impact from these training seems not to be analyzed thoroughly in theories. Moreover, little literature can elaborate how training courses in developing countries can alter the way of thinking about opportunity recognition and venture creation of women entrepreneurs. Regarding social capital, it is a catalyst that enables entrepreneurs to exploit more entrepreneurial opportunities. There are business opportunities and “income-generating activity” originating from the support of funds to some extent. Social relations thus can bring a significant source of information and resources to be approachable for women entrepreneurs (Ekpe et al., 2010, 258). Additionally, Ekpe et al. (2010, 258) also explain that the “attitude to risk” has a mediator role between mentioned-above factors, opportunity and performance of women entrepreneurs. Meanwhile, the desired goal of microfinance is aimed at higher performance for women. It is expected to achieve in many facets: creating new business, improving current business, generate employment for other peoples who are outside of family. In fact, creating more jobs for non-family groups of people is an indicator referring to the potential of entrepreneurial growth (Bruton et al., 2011, 722).

2.3.2 The forms of microfinance services for women entrepreneurs

The resource-based view in social entrepreneurship is also applied in the assessment of social impact through the activities of social enterprises, that is, “build, combine, and apply resources and capabilities” (Bacq & Eddleston, 2018, 590). Meanwhile, MFIs represents a social enterprise with social mission. The significant objectives in the microfinance movement is reflected as “acquisition of resources” aiming at capacity improvement for female communities (Ekpe et al., 2010, 260). In this section, some products of microfinance are elaborated together with quick analysis regarding the impact to women entrepreneurship, consisting of microcredit, savings and training.

Microcredit (microlending)

The microcredit is driven by the desire of supporting women in poor households. Mostly women reach microcredit because they encounter the difficulties in traditional lending activity. In a field experiment implemented by Attanasio et al. (2015, 91), they provide a concrete viewpoint of microcredit as a relatively flexible form of lending. Based on the rule of joint liability, the borrowers are formed into groups and each of them bear the responsibility of repayments for loan as a group. In case one member fails to repay, whole group cannot access to subsequent loans. In this model of microcredit, the guarantors are actually these borrowers who do screening the members and play the role of monitoring each other. Additionally, in this program, female borrowers are exclusively targeted clients. Brau and Woller (2004, 11) indicate that women are able to use borrowed funds in productive activities in an efficient manner compared to men. Regardless of that, the result from microcredit is unlikely to be totally satisfactory. It was found that the borrowers did not fully concentrate on business investment from the loans of microcredit, half of which was aimed at household consumption (Attanasio et al., 2015, 91). In other perspective, it is realized that MFIs mainly offer the program of enterprise loans. Even though a threat from the existence of consumption loan programs provided by moneylenders in the market of developing countries is undoubtful, it is unlikely that the terms of consumption loans fit the situation of financing ventures. Despite that, it is unavoidable that women moneylenders take loans from MFIs for their own businesses which are operated as lending providers in a case study in Senegal (Brau & Woller, 2004, 7).

On the other hand, in nature, the contracts of microcredit are based on local information and make use of social assets in poor households' communities, "ranging from social isolation to physical retribution" (Morduch 1999, 1575). The trustworthy positions of borrowers in a local network or the communities determines the possibility to receive an approval of loan provision without collaterals from MFIs. Group lending mainly relies on the creditworthiness of borrowers in same group, in other words, using "the power of local information", which helps to deal with the issues of moral hazard. The borrowers in ex-ante group avoid encountering with those who are with high risk of credit in all probability, whereas the borrowers in ex-past group need more efforts to monitor others in order to assure about the likelihood of repayment responsibility from members in group (Bruton et al., 2011, 721). In fact, approximately 70% of MFIs offer joint liability-based loans, which means the selection of partners for joining borrowing groups is quite important. It is likely that risk-free or lower-risk borrowers tend to form a group with the

individuals with similar level of risk credit and give little chance for risky borrowers to join (Chakravarty & Shahriar, 2015, 141).

Savings

Savings is unlikely to draw attention of microfinance providers from the beginning. However, it is realized that if the customers of microfinance are given “appealing interest rates”, they are interested in savings from small amounts. Savings, as a micro tool in microfinance program, in fact becomes a fund to be reserved for the households, avoiding over-consumption issues and possibly using this fund for re-investment in other activities than taking loans from creditors (Morduch 1999, 1606-1607). It can also be an effective tool to build up physical asset that is considered as collaterals that women entrepreneurs need (Ekpe et al., 2010, 257). Furthermore, savings product is divided into forced and voluntary savings. The forced savings requires the participant to assure a minimum amount in agreed period, which serves as finance disciplines and they are useful for the participants. As for MFIs, forced savings helps to store information about customers and is considered as cash collateral. On the other hand, voluntary savings is a more flexible form. It is one of the strategies of risk management for households because of the nature of their vulnerabilities against the external shock (Brau & Woller, 2004, 7).

Training

Education level of entrepreneurs is important because it reflects the competences, knowledge, skills that are essential for the entrepreneurial activities and the growth of business. It is considered as an element of human capital. Although it is discussed that the relationship of education level and business performance is not significant in the context of Israel, Singapore, Bulgari, the studies from some emerging countries prove somehow positive relation between two factors depending on the scale of business (Prasad et al. 2013, 346). In fact, women entrepreneurs from high-income countries are equipped with better education than those who are from low-income countries. And there are not many MFIs providing training when the entrepreneurs are supposed to know well about how to operate their businesses (Ekpe, Razak & Mat, 2013, 13). Besides, the experience and expertise play an important role in business growth. When the entrepreneurs have expertise from their industry, it increases their abilities in exploring and exploiting opportunities, serving as a source of competitive advantage (Prasad et al. 2013, 346). Therefore, training provision in microfinance program is vital for women entrepreneurs in pursuit of ventures because they might not have adequate formal education and lack of skills. Training brings the knowledge and skills essential for business (Kickul, Gundry &

Sampson, 2007, 169), which is required to attain the success for women entrepreneurs. Simultaneously, the effect of skill acquisition on sales performance is high when women entrepreneurs are able to have their business expansion (Ekpe et al., 2013, 19).

2.3.3 The role of psychological capital and social capital in women entrepreneurship under the influence of microfinance

Under the circumstance of limited resources, it requires many efforts from women entrepreneurs in managing and taking advantage of them. Meanwhile, Digan et al. (2019, 206) emphasize that the women empowerment is also an important aspect because it allows women to confront with all the hurdles in their lives. In fact, the empowerment reflects the ability that individuals can manage their situations, perform better with their willpowers in order to achieve desired goals. Not only does the empowerment brings better lives for women themselves but also women help others within their capacities. Along with the process of empowerment, the combination of resources in a flexible manner is utilized in order that the women are exposed to new opportunities, improving the performance in their activities. Taking empowerment into account in microcredit program, it is expected that loan provision along with education training, business support helps to reduce the hardship regarding resource constraints in women's lives. However, it is not clear to elaborate why women in same environment cannot gain the success as other women. In that situation, psychological capital including four dimensions of hope, optimism, self-efficacy and resilience is essential for the empowerment to achieve entrepreneurial outcomes. In other words, higher self-determination, self-confidence and the trust in desired outcomes should be exhibited in all entrepreneurial efforts to accomplish the goals. Additionally, psychological capital can enhance the relation between women empowerment and organizational performance by developing "mental and emotional capabilities" for women in challenging situations in developing countries (Digan et al., 2019, 210). Once they possess the mental capabilities in a positive manner, they are motivated in what they do. Future orientation becomes clearer, which refers to the ability of having future vision, organizing plans and managing to implement them. The relevance of good future orientation is obvious for those who create higher performance in their entrepreneurial activities (Bruton et al., 2011, 733).

When it comes to social capital, it is more apparent to perceive about the influence by microfinance programme. For instance, the mechanism of microlending is characterized by group-based form for women. The self-selected groups not only reduce the costs

for the process of screening borrowers but also avoid the relevant problems regarding information of borrowers. In screening process, the richness of information is guaranteed by the individuals who live in nearby in same community, which is used as a decisive factor for joining borrowing groups. Besides, the group-based lending is associated with repayment responsibilities of all members. In case of the individuals who choose “risky credit group”, it is problematic for them to repay loans as well as becomes harder to approach to subsequent loans (Bruton et al., 2011, 721). In the context of microcredit, a borrowing group is considered as a small team of entrepreneurs who share common goal and commitment. The common goal there is understood as the desire to take loan from MFIs. In order to achieve that goal, it depends on the action of individuals and the responsibility for repayment as commitment to the team (Chakravarty & Shahriar, 2015, 130). In that event, how to maintain the relationship with people in same lending group and gather information for creditworthiness is vital for microlending engagement. Group-based lending procedure thus entrusts to “information-rich network ties” which make the individuals be connected in small communities over time. Especially, women are targeted as customers of microlending because they are expected to have strong connection with other peoples in that community. Social networks thus allow them to obtain effective local information about the behaviors in the past. It also highlights the importance of managing relationships effectively in a network to grow business (Bruton et al., 2011, 727). Furthermore, Angelucci et al. (2015, 179) examine the impact of microcredit in a survey of households. They highlight that how microcredits affect these households depending on the “broad economic, social and political contexts” and how a loan agreement is organized as group liability as well as terms of repayments. They identify that by the access to microcredit, the increase in the aspect of trust in other peoples, the power of female entrepreneurs’ decision-making within households as well as the possibility of the growth of business size have been witnessed.

Regardless of that, Baluku et al (2016) admit that in the context of developing countries, even though the rate of entrepreneurial movements has been increased, the success is probably not promising as expected. It is unlikely that the growth of entrepreneurship is corresponding to the success in same pace. As for women entrepreneurs, it seems that the obstacles exist in the environment they are living as well as in social setting. Therefore, their success in entrepreneurial activities is getting hard to gain. In order to understand the manner and mindset of women entrepreneurs for the success in entrepreneurial movement, it is critical to analyze the role of psychological capital and social capital

practically in different contexts, especially from developing countries. Accordingly, there is a possibility of better assessment of each capital towards the performance and entrepreneurial outcomes.

In order to dig deeper in the role of psychological capital and social capital in the entrepreneurial activities, it is reasonable to review the model proposed by Newman et al. (2014, 160) in their research regarding the impact of microfinance. This model underlines the basic structure of microfinance in two dimensions: business support and opportunities for social interaction. In each dimension, it still has open room to examine how the constructs of psychological and social capital are enhanced in the context of a developing country like Vietnam. Besides, under the light of resource-based theory, how female entrepreneurs explore and exploit the opportunities through the utilization of resources to advance their businesses is applicable in the model. By assessing and making use of these resources, the female entrepreneurs who already possess the knowledge and skills can realize the value of new experiences. They can accumulate to supplement to their own competences as tacit knowledge. It is definitely a source of competitive advantage for women in entrepreneurial activities. After the study, the meaning of microfinance scheme in the facilitation of positive changes to the resources of women can also be revealed. In summary, the model of Newman is taken into account as a functionally theoretical framework to be analyzed in this study.

3 RESEARCH DESIGN

3.1 Research approach

Following key concepts presented in theoretical frameworks as well as a response to the purpose of the study, this section develops the manner to explore the issues of the study in a scientific and well-organized basis. According to that, the research strategy to be chosen is qualitative method. Qualitative method can be used in various sectors or fields, especially with respect to business, management and organizational-related aspects. Eriksson and Kovalainen (2008, 4) explain that qualitative method offers the opportunity to understand “the complexity of business-related phenomena in their contexts”. It supports the purpose of knowledge production in a critical manner in social setting of business world. At the same time, how the researchers perceive about the findings determines reflexive decisions which are made throughout qualitative research process. Reflection is significant for researchers in this process when it connects the knowledge they already knew and the new knowledge.

In terms of the nature of qualitative method, Malhotra and Birks (2006, 133) emphasize that it is based on “two intellectual traditions” with “a set of ideas and associated methods”. One tradition focuses on the depth psychology to approach the layers of the unconscious in human minds and present the better explanation for a phenomenon which is shown on the surface. The other tradition concentrates much on deeper perspectives of people in social context, which is a combination of sociology, psychology and anthropology. The researcher can find one or both traditions appropriate for the study, which requires proper “means of communication” to collect pragmatical data to a wider extent and then be able to interpret them.

Qualitative method becomes more appropriate to be used in this study when it provides the mechanism to concentrate on further explanation of phenomena. Malhotra and Birks (2006, 135) point out that qualitative research contains “a holistic outlook” providing “a comprehensive and complete picture of whole context in which the phenomena of interest occur”. Such approach is depicted in contrast to quantitative method. Quantitative method is more often characterized by testing theories, quantification of variables, deductive method, statistical analysis followed by a positivism research and taking objectivity from social reality (Bryman & Bell, 2015, 157). The main forms of quantitative research also are linked to “social survey, experiment, official statistics, structured observation and

content analysis”. In quantitative research, the variables are unlikely to handle the social and cultural constructs effectively (Eriksson & Kovalainen, 2008, 5). Meanwhile, it is known that the qualitative researchers follow up with inductive reasonings and usually take grounded theory from observations in social world (Bryman & Bell, 2015, 391). Five methods applied in qualitative research are listed mainly as “observation, interviewing, ethnographic fieldwork, discourse analysis and textual analysis” (Travers, 2001, 2). Additionally, the techniques such as case studies, in-dept interviews, focus groups... are set in an interpretative manner to develop the new insights, in other words, to obtain further understanding about the nature of phenomena (Malhotra & Birks, 2006, 140). It is also noted that epistemological aspect applied in qualitative research is important. Epistemology, in fact, reflects the manner to gain certain knowledge about the world and has a significant impact to how the researcher understand and interpret data. Hence the reason why interpretivists follow the qualitative techniques because they aim at sociology-based analysis and seek to crystallize how members in social context perceive about the representativeness. As for them, there is no need to sort out from sampling in large-scale data (Travers, 2001, 10).

In a nutshell, qualitative method can bring the best practices in digging deeper in how human mindset works in social settings. Simultaneously, it is possible that there is more room for personal discussion from what the researcher can interpret about a phenomenon in social world after collecting the opinions of actors.

3.2 Case study research

In order to deal with the research questions, there is an exploratory multiple case study approach to be employed. The case in this study reflects the experiences from women entrepreneurs who participated into the supporting programmes of a typical MFI. This MFI in Vietnam exclusively focus on the efforts for the improvement of women in social setting of Vietnam.

The facet of exploratory research is highlighted in cases because it helps to define problem in a precise basis as well as obtain further insights before coming to a conclusion from findings analysis (Malhotra & Birks, 2006, 131). Meanwhile, case study research is highly possible to provide the insight into “economic sphere of life” through the selected case. The case is defined as “one economic actor”. Through the case studies, the possibility of access to real-life business issues is achieved and they are revealed in a personal,

practical and normative manner. Besides, this approach is linked to interpretative traditions and aim to thick description for better understanding (Eriksson & Kovalainen, 2008, 115-116). Additionally, this approach is used mostly by the interpretivists to discover the “multiple influences” from case studies. Such influences allow the researchers to dig deeper in intrinsic characteristics of each case as well as the likelihood of exploring in multi-layers of cases (Malhotra & Birks, 2006, 140). Intrinsic feature of a case conveys the meaning from the case itself which is strongly connected to the pivotal issues of research interest (Eriksson & Kovalainen, 2008, 122).

Regarding the types of case study, it is pointed out that while intensive case study research can provide a holistic description about phenomenon through a particular case or few cases, extensive case study research contains testing process and figure out “common patterns” from the comparison of various cases. According to that, the intensive case study is likely to be used in qualitative research because the objective of finding inside meaning of the case, clarifying sense-making procedure through exploring human perspectives in that case. Thick description is connected to intensive case study as “verbalized interpretation” helps to illuminate the meaning behind the case to be studied. Knowledge production in this situation is not necessarily “generalized to other contexts”, but the case should reflect the uniqueness and cruciality (Eriksson & Kovalainen, 2008, 118-121). As for the researchers who aim to choose the case study approach, what challenges them is to avoid non-representativeness of the selected cases. Case study research significantly targets at how to gain the thorough understanding and ensures that the selected cases can lead to convincing reasonings, hence, the case is unlikely to be randomly selected. The selection is preferably determined by the ability that a particular organization can provide a clear insight which is not exhibited by other organizations (Siggelkow, 2007, 20). Therefore, it is apparent that using case studies for generating theory is implemented through combining collected data and theory in proper as well as not supposedly underestimate the role of interpretation.

3.3 Data collection

In this study, the data is collected by an interview and third-party publications. Interview plays the role of primary source of data, whereas third party publications are considered as secondary data. The interview focuses on one participant (H. Nguyen). As a gender expert, she has exceptional experience and knowledge in research theme through her field trips to projected areas and she is able to explain about her perceptions through numerous

direct interviews with women in microlending-based project. In combination with the interview, using third-party publications is useful to gather various information of facts and figures to be interpreted in a comprehensive viewpoint about research topic as well as the possibility of time and money saving during research process.

3.3.1 Third party publications

Third party publications serve as secondary data in collecting information about activities of microfinance in Vietnam. Moreover, secondary data mainly seek the case studies as specific cases for research topic: they are the success stories of women entrepreneurs who engaged in microfinance program provided by TYM. TYM is a microfinance provider operating in the context of Vietnam and the movement of this organization concentrates on the supporting of women. The cases of different women entrepreneurs are varied from the environment where they live, the objectives in their lives, the mechanisms they used in operating businesses which were financed by microlending, their mindsets and perceptions from the involvement in microfinance activities in general.

In theory, secondary data still can be a source of data in response to research questions although there are some concerns regarding “validity, reliability and potential bias”. When selecting secondary data, it starts from internal data including reports published by an organization to be studied. Once there is not enough information to collect, external sources should work and be easily accessed by electronic means. Online database including in research articles, journals can also be obtained through the utilization of search engines (Hair et al., 2016, 103). It is argued that great opportunities during conducting qualitative business research even comes from secondary data. The useful data in published texts can be the forms of formal reports, meeting notes or informal documents that are collected prior to the research project (Eriksson & Kovalainen, 2008, 90). Likewise, Hair et al. (2016, 124) share similar opinion regarding opportunities from secondary data. It is likely to be beneficial for organizations in giving better decisions in marketing practices. Eventually, it is also vital to examine secondary data before collecting primary data. Secondary data should be indicated from a source satisfying the degree of “expertise, credibility, reputation and trustworthiness” (Malhotra & Birks, 2006, 90).

3.3.2 Interview

The information was collected through interview conduction with a gender expert who was working with women in a microfinance program and engaged into impact analysis of that project. Eriksson and Kovalainen (2008, 80-81) argue that information acquisition from the experiences of people through interviews is a good approach when some information cannot be retrieved from published forms. In one hand, interviews help to deal with “what” question when the researchers consider them as emotionalist who are trying to understand about “authentic experience” of the targeted participant in the interview. Rather than information to be collected, emotionalists concentrate on perceptions and emotions from the people’s experience. Meanwhile, “how” question is tackled when there is good interaction between two persons during the interview. The researcher initiates the conversation with prepared questions and the manner of interaction between interviewer and interviewee being implemented can determine the direction of the conversation (Eriksson & Kovalainen, 2008, 81-82).

It is preferred to conduct semi-structured interviews with an anticipation of responding to open-ended questions in this study. To conduct this type of interviews, the researcher needs to prepare outline for topic and relevant issues in advance, however, it is possible to vary expression of matters if needed (Eriksson & Kovalainen, 2008, 83) or change the sequence of questions (Bryman & Bell, 2015, 213), depending on how the interview proceeds. Though semi-structured interview is a form of interview schedule, the interviewer still asks further questions to clarify replies which are considered as being significant for the research topic. Regardless of that, it is quite challenging for the interviewer to cover all issues of research topic or receive appropriate answers in in-depth conversations (Eriksson & Kovalainen, 2008, 83).

The interview is conducted by calling via Skype or an online application instead of face-to-face meeting. Even the common of telephone interviewing is not seen in business research, the advantages of this type are more convincing such as the time and money are saved for the researchers for not having to travel and have direct meetings with many interviewees, the control of progress and varying appropriate questions easily (Bryman & Bell, 2015, 240). More specifically, in this study, it is the computer-assisted telephone interviewing to be selected. By the aid of computer, the extent of controlling interview is greater. Besides, the content of interview is recorded by audio files with some essential notes written during the interview and then be transcribed into text. This text should be

reflected in practicality and relevance to which is studied in order that it becomes an important source of data for interpretation and perception of the issues in research topic.

3.4 Data analysis

After the data was collected, the process of analysis is carried out to develop a theory pertaining to the phenomenon of interest. Such process follows grounded theory approach with the possibility of generating theory from data and being characterized by descriptive reasonings. Accordingly, from empirical data describing events or activities in written publications along with transcribed interview, there are constant comparisons to identify differences and similarities in cases. After doing comparisons, there is an emergence of indicators in their uniformities to help the process of conceptualization. The concepts are also compared to empirical indicators to aim at formulating categories and their properties. A summary of main steps which are appropriate for this study is represented as followed. They are selected from the procedure of grounded theory analysis introduced by Strauss in 1990 (Eriksson and Kovalainen, 2008, 164):

- Build the concept-indicator model of analysis
- Data collection
- Coding of data/ categorizing
- Doing comparisons
- Integration of theory
- Theoretical sorting

In this study, the analysis is based on two sources of data including in third party publications and interview.

Firstly, the analysis on the microfinance movement in the context of Vietnam from online source of data. There is a large amount of information to perceive about empirical situations of MFIs operating in Vietnam with social mission. Another significant data focus on case studies that are outstanding from the support of TYM organization. Because there are similarities and differences being identified from the stories of women entrepreneurs, the process of coding helps to categorize data by underlining key words or phrases from these cases, highlighting the significant events or incidents occurred as affecting factors to targeted persons.

Secondly, the analysis of transcription from the interview with a gender expert is critical to understand about women mindsets and experiences to be accumulated through

her field trips. By conducting direct interviews with women in projected areas, her perception could be somewhat comprehensive after various observations. Through this textual data from interview, it is possible to identify key relevant concepts in her replies and then re-define concepts for the integration of theory.

By identifying and doing comparison with case studies from secondary data, the concepts are organized in a systematic framework. The final step is examining the relevance of new findings to initial theoretical framework in previous research in order to modify and supplement factors. There is the likelihood of integration to theory and contribute to theoretical implications.

The result of this data analysis is to gain in-dept insights about how microfinance affects psychological capital and social capital of these women, the relationships of two capitals in women entrepreneurship as well as the impact of them towards entrepreneurial outcomes.

3.5 Evaluation of the study

In order to evaluate the trustworthiness of the qualitative study, the criteria established by Lincoln and Guba (1985, 300) are presented as credibility, dependability, confirmability and transferability. Credibility, at first, is associated with the quality of being true of data where the description of individual experiences is verified. Then dependability refers to the persistence and the state of being trusted of data along with the ability to be used in similar situations. Confirmability of the study is determined by the representativeness for the responses of participants, which means the conclusion is emerged from collected data, not from subjective stance of the researcher. Lastly, transferability means that the degree of application into other groups is satisfied as well as the connection of this study and previous researches exists (Cope, 2014, 89; Eriksson & Kovalainen, 2008, 294).

The credibility and trustworthiness of the study can be improved by performing some strategies in the process of the research. It is certain that collecting information should be from multiple sources to have a “comprehensive view of phenomenon”. This process accordingly covers interviews, observations along with notes and journaling (Cope, 2014, 90). In case that collecting information is implemented from secondary data, the credibility of source is important by reputation and trustworthiness (Malhotra & Birks, 2006, 85). The study findings should be from original source because of higher accuracy and more details of researched issues compared to substituting source (Malhotra & Birks, 2006, 90).

In fact, the strategies in data collection also emphasizes on “prolonged engagement, persistent observation and reflexivity”. It depicts that the process of interacting with informants needs time for the establishment of trust so that collected information might be richer and more descriptive. Besides, the study should avoid the biases of researcher in terms of emotions and experiences with the phenomenon of interest, thus, “maintaining a reflexive journal to reflect” is a key factor. Audit trail is required to organize notes, drafts and other supporting materials during the process of study, and then could be reviewed by another person (Cope, 2014, 90). Also, the evaluation of trustworthiness should not be implemented at the end of the study (Eriksson & Kovalainen, 2008, 290), so during the research, the maintenance of writing notes to keep track of quality is assessed to be significant.

4 EMPIRICAL FINDINGS

By mentioned qualitative research method, empirical findings were collected competently from third party publications and interview with an expert. In this section, at first, the background of microfinance sector in Vietnam is presented in chapter 4.1 to have an overview of the industry and the effective operation of MFIs in Vietnam for many years. In chapter 4.2 and 4.3, there is a discovery and evaluation of case studies from women entrepreneurs under the guidance of TYM Fund and women in production groups from the project implemented in Phu Tho province, respectively. All these entrepreneurial activities, as a matter of fact, have been facilitated in the context where the objectives of MFIs are corresponding to the National Financial Inclusion Strategy of Vietnam.

4.1 Microfinance sector in Vietnam

In recent years, Vietnam has achieved the remarkable progress in economic development as well as in the movement of poverty alleviation and social security. In particular, the contribution of microfinance activities in Vietnam to this achievement is significant by positioning its role to facilitate the poor and low-income people to access to financial services in a convenient manner (Sbv.gov.vn, 2015). It is affirmed that the microfinance programs are on the right track to serve the poor with a social mission and there has been much potential to develop in developing countries like Vietnam.

In order to encourage sustainable development for microfinance movement in Vietnam, it is very likely that appropriate regulations of the government have been carried out effectively so far. According to Decision No.2195/QD-TTg dated December 6, 2011, State Bank of Vietnam (SBV) provided the guidance for developing the microfinance sector in two phases. In first phase from 2011 to 2015, it focuses on document issuance for the implementation of Law on Credit Institutions regarding microfinance-related organizations, assisting in training enhancement for experts, building general database of microfinance. In second phase from 2016 to 2020, there are amendments and recommendations for legal framework with a purpose of the diversification of organizational forms and expansion of microfinance movement, accordingly, the creation of the linkage of MFIs and other kinds of credit institutions in the operation is also performed (Sbv.gov.vn, 2015).

4.1.1 The structure of microfinance sector in Vietnam

Yet some arguments have been made regarding the categorizations for credit institutions and microfinance institutions with the function of providing full services of microfinance in Vietnam. Such situation led to the ineffective management of the State in policymaking to support MFIs in the process of operation and development (Trinh, 2019). However, generally the microfinance institutions operating in Vietnam can be divided into three categories: formal sector, semi-formal sector and informal sector (Le & Tran, 2005; Trinh, 2019) as followed:

- The formal sector consists of People’s Credit Fund system, Vietnam Bank of Social policies (VBSP), Vietnam Bank for Agriculture and Rural Development (VBARD). These non-profit institutions are operated under the governance of the State, providing subsidized rates for lending and capturing larger market share of microfinance system in Vietnam (Le & Tran, 2005).
- Semiformal sector consists of international and domestic non-government organizations as well as the projects of social organizations, socio-political organizations, charity organizations. Especially, there are 4 MFIs that were recognized by the government including in TYM Fund, Capital Aid Fund for Employment of the Poor (CEP), M7-MFI by the contribution of three social funds in Son La and Quang Ninh province, Thanh Hoa MFI as an assistance fund for poor women in Thanh Hoa province (Trinh, 2019). Currently, these licensed MFIs are transformed into Limited Liability Companies.
- Informal sector is related to the groups of lending under “Phuong”, “Ho/Hui” (considered as the form of rotating savings and credit associations), moneylenders and other form of taking loans from acquaintances (Le & Tran, 2005). This sector is not recognized legally and thus it is totally risky for borrowers.

Accordingly, MFIs from the semi-formal sector concentrates on the targeted clients in remote areas where the formal sector is unable to reach or serve clients, although the number of borrowers from formal sector is, in fact, greater than that of semi-formal sector. (Le & Tran, 2005). Furthermore, it is realized that the existence of MFIs from semi-formal sector also contributes to reduce the impact from informal sector and strengthen the efforts to assist the people who are lack of capital for their income-generating activities.

4.1.2 Overview of Vietnam Microfinance Working Group

In order to promote Financial Inclusion in Vietnam with a focus of microfinance system, Vietnam Microfinance Working Group (VMFWG) was established to play a role as a forum for knowledge and skill sharing among practitioners as well as a great contributor to policy-making procedures of the government. The organization commits to develop microfinance sector in a sustainable network and take efforts to provide business development services and connect microfinance resources. The number of members of VMFWG until the end of 2019 has been up to 30 members that are the microfinance institutions operating in Vietnam. The numbers of clients accessing to the capital of microfinance is nearly 600,000 with approximately 245 billion VND of loans provided to clients (Microfinance.vn, 2020). In addition, the achievement recognition of typical microentrepreneurs and MFIs is implemented by VMFWG via Citi-Vietnam Micro-entrepreneurship Award (CMA) which is held annually and sponsored by Citi Foundation. In CMA 2019, there was the involvement of 78 microentrepreneurs from 18 organizations with 27 prizes awarded. Besides, 02 prizes were awarded to typical MFIs and 01 prize for an organization with the capacity of market linkage (Microfinance.vn, 2020).

In terms of the performance assessment of microfinance sector in Vietnam, the number of clients in microcredit activity from unlicensed MFIs was increasing around 450,000 persons in the period of 2014-2016, meanwhile the number of borrowers from licensed MFIs in same period still stabilized at 130,000 persons. However, in 2017, an upward trend in the number of borrowers from licensed MFIs was witnessed in comparison with a significant decline in that of unlicensed MFIs. Regarding the clients in saving products, total savings amount at licensed MFIs has many improvements, reaching at 2.577 billion in 2017 whilst the number of savers in unlicensed MFIs dropped considerably in same year (VMFWG Annual report 2018). It denotes that the licensed MFIs has gradually achieved positive results in microfinance sector in Vietnam by their supportive efforts.

4.2 Case studies of women entrepreneurs

4.2.1 The overview of TYM Fund

Tinh Thuong One – member Limited Liability Microfinance Institution, so-called TYM Fund, is known as the first officially licensed microfinance institution operating in Vietnam in a sustainable and effective manner. TYM Fund is also one of active members of

VMFWG. With the idea of supporting women in business development, Tinh Thuong Fund project was initiated by Vietnam Women's Union (VWU) under the Department of Propaganda – Family and Life with first operation in Soc Son district of Hanoi in 1992. From the success of this pilot project, TYM gradually expanded to other provinces of Vietnam and served numerous disadvantaged women. After that, in 2010, TYM operated independently from Department of Propaganda – Family and Life, and officially acts under the name of Tinh Thuong One-member Limited Liability Microfinance Institution with social mission (TYM Performance report 2018).

Since the commencement of operation in 1992, the continuous efforts of TYM Fund in cooperation with VWU have aimed at providing financial services and social services to local women in Vietnam over the past years. Such efforts have been recognized with major achievements in all aspects. There was a growth of 9000 participants practically in TYM Fund's programs in 2019 in comparison with 2018, consequently, 165,970 members were reached at the end of 2019 (Tymfund.org.vn).

In 2017, the project regarding the support for women-owned start-up businesses in period of 2017-2025 was kicked off by Vietnamese Women Union (VWU) with an approval of the Prime Minister. TYM, a unit of VWU, also performed its duty in providing the financial services and social-related services to women. Then the savings program for start-up business was launched in 2018 to mobilize funds, contributing to the possibility of accessing loan for female members to start their business (TYM performance report 2018). Consequently, TYM Fund has secured a reliable fund of over VND 3,492 billion in order to provide loans to female members thanks to the progressive mobilization of members and clients through savings programs and donation (Tymfund.org.vn).

Since 2019, TYM Fund has developed further products in policy loan in parallel with the enhancement of the quality in offered services. Each staff of this organization comprehend the significance of innovations and breakthrough in products. They appreciate their mission by being service-oriented with “simple, secure and swift solutions”. The policy loan in specific has amended to lower interest loan as well as enlarge loan size for specialized loans, extending the members through policies that is not exclusive for low-income households but for members who are in need of support for risk management against disasters, disabled persons and HIV-infected persons. TYM Fund also concentrated on supportive activities for women, their families and the community in general through a wide range of projects: provide complimentary health check-ups for 6,600

members, offer 100 laptops to poor members for business activities, conduct approximately 100 training sessions and 21 seminars, organize the visits of TYM member to learn from experiences of typical economic models at communes, promote 80 products of 30 members at fairs and events to facilitate market access for these products, hold multiple activities for TYM members in regards to art, culture and sport as well as learning contests to connect and interact among members (Tymfund.org.vn, 2020). These activities signify the efforts of TYM in a comprehensive support for the advance of women, devotedly contributing to the success of micro entrepreneurs and female leaders in the socio-economic development. It has remarked by the involvement of 300,000 women in microfinance movement, 7,000 female entrepreneurs and 89 women awarded in City Micro-entrepreneur Vietnam until 2019 (Tymfund.org.vn, 2020).

Moreover, TYM is also continuously expanding the relationship with international organizations, seeking the grants for capacity enhancement for TYM's members. For instance, 80,000 euro was granted successfully to TYM in 2018. It is said that the great support from international partners as Oxfarm, BNP Paribas, Citi Foundation and Foundation Capital.... has played a significant role in profound achievements of TYM for past years. The collaboration is also demonstrated by the conduction of study tours at TYM for international delegations to share experiences and learn from success models of women (TYM Performance report 2018).

Main activity of TYM in Vietnam covers microcredit or microlending, savings, social activities for business development assistance to the targeted women who are seeking for secure funding for their business.

(i) Microcredit

It is a reliable form of lending for the poor with the aim to avoid “predatory lending”. TYM was aware of the acceleration of predatory lending in many provinces and cities, thus the staffs of TYM took the efforts on conveying the benefits of official loan services to more people who are in need of funds. The screening procedure for loans was based on sufficient information of the borrowers and then the borrowers were introduced to the appropriate loan schedules to ensure the repayment ability. Besides, TYM is known as an effective MFI with the concentration of “the understanding and accessibility of women in remote areas”. The limit of the micro-loan is VND 50 million, which is assessed to be enough for the women in business expansion without supplemental lending sources. Accordingly, the loan is more secured for members with favorable conditions for repaying procedure. Moreover, the procedure of loan approval and management is aligned with

modified regulations with high adaptation for TYM members, leading to opportunity creation for them to access loans (TYM Performance Report 2018).

Table 2 The loan products provided by TYM Fund (effective 01st May, 2018)

Short-term micro-loan	Policy Loan for under-poverty-level women <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 25 million • Weekly repayment within 50 weeks
	Loans for close-to-poverty-level women <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 30 million • Weekly repayment within 50 weeks
	Multipurpose loan <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 50 million • Repayment term: once a week within 25 weeks or 40 weeks; once every four weeks within 24 weeks, 52 weeks, 72 weeks.
	Business development loan <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 50 million • Weekly repayment within 50 weeks
	Loan for disaster risk recovery <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 30 million • Repayment term: once a week within 50 weeks; once every four weeks within 52 weeks.
Medium-term microloan	Construction and Home Improvement Loan: <ul style="list-style-type: none"> • The loan is in range of VND 01 million to 15 million • Repayment term: 70 or 100 weeks. • For TYM member with 50 weeks of compulsory savings
Micro and Small Entrepreneurs (MSE) Loan	<ul style="list-style-type: none"> • The loan is in range of VND 50 million to 100 million • Term of the loan is 25 weeks to 18 months • It is exclusive for micro and small businesses with or without collaterals. • Short-term or medium term

(Source: tymfund.org.vn)

According to Table 2, there are six types of loan schedules for women, including in “economic development, policy loans, multipurpose loans, construction loan, loan for disaster risk recovery, and MSE loans”. In fact, each type of loan suits the different demands and is offered into short term and medium term. In particular, medium and small entrepreneurs are offered for a specific loan schedule, that is, MSE loan. The limit is up to VND 100 million with preferred loan interest rate. The term of repayment is on a weekly basis for 25-week/55-week/70-week loan or on a monthly basis for 6-month/13-month/18-month loan. Generally, loan interest at TYM is in the range from 0.1%/week to 0.21%/week (Tymfund.org.vn).

(ii) Savings

The savings policy is divided into mandatory savings, voluntary savings, term deposits and monthly savings for TYM members. Also, there are deposits from other organizations to mobilize more funds. In fact, savings is considered as “one of the most sustainable financial resources for lending”. The interest rate of TYM for savings is offered at high level in compared to other institutions, leading to much attraction to be gained for savings programs. Simultaneously, TYM requires mandatory savings for members with high commitment without early withdrawal. Such savings campaign of TYM after that has attained the success in mobilization of a great amount of funds, serving the assistance plans for start-up of female members. Not only were positive results recognized in mobilization, the structure of savings products had a lot of changes. Term deposits account for 47% of total savings products, which denotes an increase of term deposits compared to other saving products in 2018. It manifests that women entrepreneurs have a tendency to reserve more than before, revealing an improved perception of money-saving methods. (TYM performance report 2018).

(iii) Business support and Capacity building

Training is an essential part of comprehensive supporting activities for women. The content of training sessions focuses on technical knowledges with high adaptation in production, business operation. Not only did the training bring new knowledge but it also improves skills for women. In 2018, approximately 64,601 female members engaged in the training courses pertaining to climate change and natural disaster risk. Besides, seminars, workshops and the visits at TYM’s center are held for sharing experiences among female entrepreneurs. The linkage of community where TYM operates is associated with the cultural and sport events for TYM members. In addition, the operation of business supporting activity is included in the establishment of similar field of business in production

groups; provision of consulting services for packaging, labels of products; marketing and promotional events of product introduction for TYM members; assistance of expanding sales channels, outlets and building the chains of sales agents who are TYM members; seeking vendors to help TYM member access to materials used for production activities with the aim to balance the price and quality (TYM performance report 2018).

In upcoming section, the following case studies from sub-chapter 4.2.2 to 4.2.4 are selected from the successful women entrepreneurs who participated in the microfinance program. This program has been developed and implemented by TYM Fund to support Vietnamese women in implementing in their business plans. Based on original principles of Grameen Bank, loan products at TYM Fund has been designed with some modifications to fit the situational demand of Vietnamese women. It is more appropriate to the demand of poor and near-poor communities. The women can repay the loan with high frequency without collaterals, which facilitates a greater number of women to access to the capital and guarantee repayment on a timely basis. The provision of microcredit of TYM Fund is also not detached from the activities of capacity building. It plays a significant role in the social mission of TYM towards the development of women by reinforcing the competence of women in economic activities.

4.2.2 Innovative model of rabbit farming

Ms. Hoang Thi Van, a woman who run a rabbit farm in Quang Xuong district, Thanh Hoa Province showed her creativity in modified traditional VAC model. She is a typically exceptional member in Thanh Hoa branch of TYM with her success in developing business direction of family, which was admired by the members who paid a visit to her farming area in 2019 to learn from her experiences.

The engagement of Ms. Van to microfinance program started in 2016. As for initial investment, Ms Van had already taken a loan of VND 100 million for barn construction and there was no available fund for breeds purchase to maintain the breeding beside unused land. When TYM staff visited her farms to evaluate her application for loan, she was approved for a loan of VND 20 million as second round. It was sufficient to buy breeds and helped her to run the farm. And then she expected to apply for higher level in next loans with an aim to renovate breeding farms and other related facilities. It denotes that loan application of female entrepreneurs was taken and passed through a direct assessment of credit officers from TYM Fund for on-site services. There were no barriers for

women to access to the capital, which allowed women to be eligible for consecutive loans provided by TYM Fund.

For opportunity seeking at the start of business, she recognized that livestock raising in her living area was facing with high prices of input for breeding, the pressure from traders on output prices, the limit of breeding selection (pig, chicken, fish and pigeon), disease risks and high probability of loss. Therefore, she took initiative to learn from neighboring farming models and even reached to other remote areas. After careful consideration, she decided to choose rabbit farming as a potential business with lower investment, quick reproduction and low risk of disease for breeds. Hence a shift in farming model is assessed to be appropriate in her decision-making for business direction. Besides, thanks to the funding support from microcredit, entrepreneurial opportunities were broadening. She had more chance to implement the changes in farming as well as ensure the breeding procedure. As a result, rabbit farming has been profitable for her as a source of income generating for her family in a sustainable manner. During that period, the accumulation of experiences has been increased, her perception of clean production at farms has been enhanced, which allows her to meet the standard of hygiene and mitigate environmental impact within two years at her raising farms. It is obvious that Ms. Van has continuously enriched the knowledge about her business, gradually knowing how to exploit the opportunity from innovative farming model. It becomes the source of competitive advantage to be an outstanding member in her community by entrepreneurial activities.

Additionally, it is significant that there is a willingness of her family on experience sharing to those who are interested in rabbit raising model, especially in joint-lending group. The visit of female members in TYM facilitated knowledge transfer among the members in group by learning from practices. Accordingly, it simplifies the process of information gathering of female members. These members can identify the principles and learn how to solve the problems from real experiences. It also tightens bond of cooperation, advancing the reciprocity among female entrepreneurs in TYM-based community. Furthermore, as for Ms. Van, she took her pride in great achievements such as job creation for local farmers, the stable income of 50,000,000 VND per month from selling meat and breeds, the capacity of supplying breeds for smaller farms and meat rabbits to restaurants as well as large companies.

In summary, it is proven that the microcredit contributes to the process of improving her business, encouraging her innovative ideas in rabbit farming and supporting her in sustainable entrepreneurship.

4.2.3 Rice painting start-up business

Ms. Nguyen Thi Van is a typical female entrepreneur who gained success with her rice-painting business. Her business was an outstanding case to be presented in “CMA 2018 Typical Micro Entrepreneur with creative ideas”. Her idea originated from her passion with making crafts and painting-related activities. Grounding as a preschool teacher in many years, she had many chances to foster her creativity in this field. She realized that the value of Vietnamese culture through rice painting was enhanced to be introduced to the world. Besides, this business is not only generating income for her family, but it also nurtures her enthusiasm with craftwork. Along with this business, she remains teacher position at a kindergarten (Tymfund.org.vn).

She has participated into microcredit program of TYM since 2012. At that time, she was approved for first loan of VND 7 million to start her business of aluminum and glass frames production. However, she encountered many difficulties on running this business because of unstable profit until she came up with new ideas regarding art and rice painting. In fact, there was no business with similar field in the vicinity where she resides. The obstacle existed when she had little knowledge and essential skills to perform the procedures of rice-painting. Therefore, she decided to learn techniques and explore for input materials in order to meet the market demand and fit the tastes of customers. She was concerned about the safety of painting for users, thus rice-roasting method for coloring was applied. It took about four year for her to do the research and make up her mind for the business of rice-painting. Then she visited the office of TYM to apply for a loan of VND 30 million for the new business in 2016 (TYM performance report 2018, 38-39).

When it comes to advantages that Ms. Van received from microcredit program, they were loan taking from a stable fund, appropriate loan schedules without collaterals. She recognized that the value proposition that TYM committed to provide client was obvious, intensifying her belief of borrowing from TYM in many years. In addition to microlending, she received the support from TYM in promotional activities. As a member of TYM, she could take part in a fair conducted by TYM so that her products became more appealing to a wider range of customers, including in domestic and international ones. Due to small scale of her business, the regular customers were mainly the relatives, friends and

other acquaintances. Hence, it was very likely that such event helped her to approach new clients and make impression to international partners at this fair. There was also knowledge exchange between participants throughout the fair to learn from each other. After 3-day fair, she decided to expand her business and perform some enhancements by hiring more employees, opening a workshop. Thanks to some suggestions from experts of TYM, she started to modify appropriate product size and apply new themes of paintings in order to meet the requirements from clients, which marked an increase of sale in her business after that. TYM also assisted her in promoting her products at TYM outlet and other fairs. In fact, TYM is a client of her business when selecting her products as culture-enriched gifts to the partners of TYM. The clients of her business were even the leaders of the government and foreign countries when they knew about her efforts in developing products of rice painting through the microfinance program of TYM (TYM performance report 2018, 39). Hence, through the supportive activities, customer-oriented approach of microfinance movement met the needs of the women in concrete situations. The consultancy from the staffs of TYM advanced the products of women-owned business in better modification, stimulating the growth in business for them.

As a result, the larger number of clients to the business of Ms. Van are still surging up and the popularity over the market is higher by reaching international clients. Regarding the efficiency of her business, the business started with the support of family member, however, until present, it creates jobs for other persons. There are six employees on a regular basis together with other seasonal ones, which reflects an increase in labor forces in her business rather than her husband and herself only (TYM performance report 2018, 39). It also denotes a sign of entrepreneurial growth to motivate her to advance in her pursuit of rice-painting start-up business.

In a nutshell, there is certainly an improved consequence from the start of business to current situation of her business thanks to TYM's supporting activities. Accordingly, Ms. Van utilized the benefits from microlending for capital investment, broadening the relationships through the interaction with members and partners of TYM at the fairs, easier access to the market through the assistance for product introduction and promotion implemented by TYM. She was also inspired to perform the changes in business operation and development orientation in the future.

4.2.4 Business model of incense making

Ms. Quach Thi Huong is another distinguished member of TYM at Kim Dong, Hung Yen Province. She was awarded as typical micro-entrepreneurs in CMA 2018 hosted by VMFWG, being worthy for her efforts in business development. The facilities of her business cover four workshops for incense production together with a warehouse. Local persons are preferred to be employed for the production. Currently, she is proud to create more jobs in local area, at least 30 regular workers and 20 seasonal ones (Tymfund.org.vn, 2019). It proves that the more people are hired, the more the business operation is promising for the growth.

This business formed a micro-entrepreneur who is full of the enthusiasm and hard-working towards the success today. At early days, she encountered with numerous difficulties such as limited knowledge and incompetence in business management, inadequate resources for production, especially lack of capital for her business. Even though she had been working in this field as a worker for several years, it was the first time for her to open a factory and start her own business. In her village, there was also no one to establish a workshop for production at that time. Hence, she stated that she did not feel confident for running the business along with her concerns about insufficient resources. The opportunity was opened for her when TYM project started to be implemented at her village and be introduced to the farmers without complicated procedures regarding collaterals in 2000. Accordingly, the staff from TYM visited her place and performed loan appraisal with VND 1 million for her. Thanks to the trust of TYM Fund at that time, she was given an access to financial resource, which is appreciated by her until now. She has been accompanying with TYM Fund for nearly 20 years with increasing loans from VND 01 million to VND 50 million for business investment year by year. She felt less burden to follow loan schedules with appropriate installments equally. Hardly did she want to cease cooperative relationship with TYM Fund because of the benefits gained. Until present, she has been attached with this job for years, continuously investing in machine purchase for incense-making business (Tymfund.org.vn).

The obstacle of a female entrepreneur is not only constraint of financial resources but it also the hesitation in venture creation in the first period. At the time of recognizing entrepreneurial opportunity in her field beyond others, she received the support from TYM Fund in terms of initial capital. Such assistance motivated her to proceed her entrepreneurial intentions by overcoming the restraints. This assistance also enabled her to

believe in her own competences to run her own business, at the same time, ascertaining that she had full of self-confidence in financial capacity for loan repayment. This is a driving force to stimulate this woman to shift from miserable condition to hopeful intentions towards the future of her business. After that, she expanded the business by further purchase of machines to increase productivity for her business. The funds from TYM showed the efficiency in enabling this woman to make better decisions of investment for expected growth. Another aspect in this circumstance to be mentioned is the trust. Her accompanying with the microfinance provider like TYM in a long period accelerated trust building among the member and this organization.

In general, the case of Ms. Huong clarified the transformation in her attitude and behaviors with the decision of entrepreneurship. When a woman develops her self-confidence in future orientation, she can take any chance to embark on entrepreneurial activities. At the same time, it highlights the significance of trust in maintaining relationships of women entrepreneurs in longer time.

4.2.5 Evaluation of TYM activities towards women-owned business

It is said that TYM Fund provided essential assistance to the women with a desire to raise the voice and enhance power of female entrepreneurs in economic activities. By doing this, TYM allowed these women to recognize the prospects in businesses and spark up the ideas by themselves. Not only was prompt response made to the demand of capital when providing initial capital to the women but TYM Fund also performed the guidance to convey knowledge and skills. Then TYM Fund aimed at suggesting for business direction in order that the capital is utilized on the right track. It fitted the mission of capacity building for members and clients as proposed by the experts and consultants of TYM Fund.

For the women who run the business at the first time, insufficient experiences together with the concerns about lucrative possibility harnessed their determination to commence. When the women became the members of TYM fund, they were maximizing chances to learn from successful business models. Through the training and visit to projected areas, the women were motivated by shared stories, being inspired to start their own business. It reflects a process of collecting experiences to build up their own strategies. After that, once their business came into operation, TYM Fund continuously delivered helpful advices and established the connection to other important partners to assist

women in expanding their businesses. These activities developed the linkage among actors in a network structure, beside the relationship between TYM Fund and female entrepreneurs. Further social resources were created from these activities in favorable conditions. By joining in sociality-driven activities, the interaction of women with other stakeholders was triggered. These network relationships are assessed to be more stable and trustworthy under the supervision of TYM Fund, providing the women with easy access to the essential resources, the exchange of information in an interactive environment. Furthermore, when the difficulties emerge from the side of women, the companion of TYM Fund with female entrepreneurs becomes considerably significant. The problem-solving process was implemented by TYM Fund to deal with the obstacles in the women's businesses, such as assisting in promotion at fair events, providing the referrals to international and national partners to develop a diverse customer base for women. It clarifies that social assets are increasing thanks to the process of receiving helps to tackle with the issues as per Bowey & Easton (2007) 's argument.

Another aspect regarding the role of credit officers in approaching potential customers and screening procedure should be appreciated. This is a focal point of supporting activities provided by TYM. The credit officers should have a clear understanding about the demand and situation of borrowers so that they provide the proper assistance, for instance, consulting about loan schedules corresponding to the situation of borrowers, proposing business plan for the borrowers, referring borrowers to organizations. Exceeding general responsibility of a credit officer at TYM is the solidarity sustainability and emotional sympathy with women (TYM performance report 2018). It helps to earn the trust from female borrowers and build the foundation of relations between credit officers and borrowers. Such enthusiasm of credit officers contributes to the inspirational encouragement towards women for developing their own competences. Besides, the efforts of TYM are shown through an effective system of approaching clients locally. The credit officers work under in a system where there are "Branches" for province or district level, "Centers" serving clients at communes and "Transaction offices" focusing on small communities at village level (Tymfund.org.vn). Accordingly, the circumstances of borrowers are passed through an attentive screening for loan appraisal and borrowers' information is collected in a timely and precise manner. Even the loan appraisal based on the credit-scoring system at TYM is not adequately operated, however, the capacity of client approaching of credit officers are strong with detailed information gathering from each household and each case of female borrowers. Thanks to these factors, the belief of female

borrowers towards credit officers and TYM Fund has been accelerating through many years. One of the borrowers mentioned that she valued the support from considerate and highly motivated credit officers to all the members at her center, simultaneously, she felt happy for her improved life after accessing loan provided by TYM (Tymfund.org.vn). These trust-generating activities add up to the value of social capital to be gained by female entrepreneurs. Meanwhile, social trust is a component of social capital. Risk of opportunism is, therefore, reduced when the appreciation of trust in a network relationship is caused to happen.

In general, it is apparent that the activities of capacity building for the members of TYM Fund boost the confidences of women in their pursuit of planned goals. Through interactive activities, the close bond between the credit officers at TYM Fund and female entrepreneurs is highlighted where building trust is an integral part of relationships. And the process of joint-learning and resolving issues allows women to establish and gather social assets.

4.3 Interview with the expert

4.3.1 Overview of the project

In the interview with Ms. H. Nguyen who engaged directly in the supporting projects for women, there are the clarifications about the influences of microfinance project to the poor women in Phu Tho province, Vietnam. To be more specific, Ms. Nguyen is a gender expert from a research institution of Vietnam. She conducted direct interviews with production groups led by female participants to collect information for outputs of the project, simultaneously exploring the transformation in the mindset of women after the project. Therefore, it is informative to collect data from the interviewing process with Ms. Nguyen. Indeed, she demonstrated a comprehensive understanding about how the project was implemented by her observation. She also pointed out key factors in network relations by her perception of impact assessment after the project.

Regarding the project at Phu Tho province, she stated that the women were direct beneficiaries from the provision of microcredit and the training activities of the project. The project was established to provide the assistance for community-based economic activity with an aim to the improvement of income level for the women in the cooperation of commune-level Women Union and local authorities. The project was divided into sub-

projects to be executed within two-year project. At that time, this microcredit fund was managed by Women Union of the commune.

For participants, they were mainly female farmers who were living in mountainous area covered by forests and terraces in Yen Lap district, Phu Tho Province. The women in this projected area from 11 villages were mostly associated with agricultural activities such as farming, cultivation, cattle raising. Because of limited knowledge and skills, these women had little possibility to develop the economic activity to greater extent or increase the income for households. Therefore, the content of training was in various themes covering the skills of project management, microcredit fund administration, production development, hygiene knowledge, health knowledge. Such training topics are tailor-made based on the opinions and demand of the participants, simultaneously, the classes of training were designed in short days to ensure that the larger number of women could join in, which reflects the practical aspect of training sessions. Also, it is significant that learning from practical business models is one of the goals of the project. Hence, a visit to other province which has identical development prospects was conducted with community involvement.

4.3.2 The mechanism of the project

For the structure of the project, there were about twenty small projects regarding cultivation, cattle raising, non-agricultural and cultural activities. When the participants embarked on the small projects, they could borrow 14% from microcredit fund, receiving 16% from the support of the aid project and the remaining was the contribution of the participants by cash, labor cost and available materials on sites. Beside the participants, the stakeholders of the project were local authorities, mass organizations, the experts from a research institution. The duty of local authorities was to receive the support from the training and set up a propaganda regarding techniques and managerial competence to local people. They were also the intermediaries who coordinated tasks between the staffs of the project and local people as well as understand about the linkage of the project objectives and development plan at local villages. The experts took responsibilities of planning and designing for training sessions pertaining to community competence and rural development. In general, they focused on technical matters and project management as a whole. Under the guidance of experts, Communal Managing Department asked for suggestions from female farmers with similar interest on agricultural activity to gather and form different farming groups. For instance, group of pig raising, group of chicken

raising, group of rabbit raising, group of fish farming, group of mushroom cultivation... After that, many trainings were provided to the beneficiaries of the project. It required the involvement of experts from the project, mass organizations, the groups of female farmers with similar interest in farming, women union at communal level. It was apparent that the role of mass organizations at local area was to connect female farmers and experts from the project, facilitating the exchange of information among related parties, actively counselling for female farmers.

As a matter of fact, the form of microcredit in this project was joint-lending in production groups. The responsibilities of loan repayment forced the members of same group to fully commit to project implementation. Therefore, collaborative production activities among the members was guaranteed and consequently, the linkage of members was firmly established. Additionally, head of each group was selected as a respected person among members. She took responsibility to supervise the operation of group and join in production activities. When they participated into same group of production, they learned from each other and shared experience to gain common benefits of that activity. They also learned from training sessions of professionals in the field of agriculture in project scope. After the project, numerous farmers felt positive about the agricultural activity's performance and showed high commitment to the continuation of their businesses although the support of the project came to an end.

Thanks to the project, the women made progress in the development of business activities. In specific, the expert, Ms. Nguyen revealed several outputs of the project as followed:

- (i) The enhancement of cognition of female participants through training sessions and visits to economic models;
- (ii) The establishment of groups having the interests in common together with specific regulations in operation to be suggested by female participants;
- (iii) Ensuring the feasibility of these suggestions and the possibility of implementation by female participants;
- (iv) The labor structure and production structure were shifted appropriately;
- (v) The activity of culture and sport were implemented with proactive involvement of women.
- (vi) Planning of eco-friendly agricultural production was approved.

Despite great achievements, the drawbacks of this project existed. Business performance was achieved differently between production groups. Some groups like fish cultivation could not repay to loan to the project on time due to the harvest matter on timing difference, thus they committed to continue farming activities until the consequence was accomplished even though the project ended. Some groups like mushroom cultivation group did repay on full responsibility, however, the performance of their business activities was not accomplished as the expectation of the project because of the complicated techniques on practical application and limited competence of the farmers. Despite that, these farming groups promised to replicate the business model to other households when required about breeds provision and techniques sharing. Other farming groups as pig raising, chicken raising, rabbit raising, potato cultivation and melon cultivation came to a fruitful result with the possibility of selling outputs to the market and fulfilling their responsibility of loan repayment to the project.

4.3.3 Evaluation of the impact to women-owned businesses

The practical thing of the project was targeted at not only providing the funds in terms of microcredit for women but also the women's responsibilities of contribution were required. Accordingly, it was expected that the women tend to commit to the project with all the enthusiasm, simultaneously, the project might stimulate their desires to learn about how to manage their small businesses in further in terms of techniques and practices. In fact, the women took full responsibilities to improve their futures, constituting a strong network in a bottom-up approach. The feedback from each member in farming groups during the project was appreciated to raise the voice of women in economic activities. It signifies that the participation of women played a significant role in community development and they were considered as key contributors to the fruitful consequence of the project. Besides, the local mass organization took the facilitator's role to connect the experts from the project and local women as well as clarify the problems to be resolved together. Joint problem-solving showed higher likelihood to increase the social resources for the women in regional level.

Regarding the result from this project, it was assessed to indicate positive impact to the women who engaged in the training sessions and microcredit activity at communes. Hereinafter are distinguishing features that were recognized from the project:

Firstly, the project contributed to the improvement of knowledge and skills for the women in farming and cultivation. Through the training sessions, the women had an opportunity to access to the new knowledge and special skills in farming activity, which are useful for the women in running their businesses. Regarding competence enhancement in business operation, the most practical thing to the women is the skill of budget management. For instance, they were able to learn to how to take notes in an effective manner about the process of initial and continuous investment into the cultivation and pig raising. After that, they perceived clearly about the efficiency of investment process and how they earned profit from invested business. Each day they needed to know how much the fund was used for the business and by end of the day, the likelihood of profitability from that fund was perceived. In fact, they had encountered difficulties from the start of business, however, after the project, they felt prouder of how they managed the business with clearer understanding of budget, how the fund was distributed and the calculations from monthly income-generating sources. It denotes that the confidence of the women is increasing in dealing with business matters once their knowledge and skills are improved.

Secondly, the provision of training sessions and the conduction of regular meeting for knowledge transfer regarding agricultural activities held the attention of female participants. The women were urged by a desire of gaining new knowledge and access to different sources of information. Most of previous training sessions for agricultural techniques had been conducted exclusively for male participants, thus for some women, they were invited in the first time to these kind of group meetings. It implies about the aspect of low self-esteem of women in rural areas. Before that, they were not fully aware of the power of knowledge and skills that they were possessing. So, the project awaked the potential of women to be discovered. As a result, the women were becoming more confident about their competences by broadening the knowledge and adopting what they learnt into their own businesses.

Thirdly, the establishment of the groups with similar farming techniques in the project revealed higher possibility of sharing knowledge among the members. Because they tend to exchange information with the people more easily when the viewpoints, skills and interests are in common. The peer selection for forming groups from the beginning is considered in accordance with the opinion and desire of each member. When the women participated into the joint-lending groups, they perceived about the know-how and experience of business operation to be transferrable among members. By that method, they learnt from each other, underlying the sharing of mutual benefits within their groups. In

the model of joint-lending group, the peer monitoring also ensured the responsibility of loan repayment of members to the project as well as investment in proper activities according to the target of the project.

Fourthly, when the women found out the method to apply the knowledge in a realistic setting, they tended to become more sensitive to the changes of market economy. They understood better about the demand of consumers and captured the trends of market. Accordingly, they took initiative in customer approaching by proposing the plans and getting in touch with potential customers. For instance, the women from the group of rabbit raising focused on getting additional contacts to the restaurants and hotels to build close relationships for the supply of rabbit meat in the future. It is obvious that they understand about the importance of extending the relationships in business for future benefits.

Fifthly, it is significant to strengthen the involvement of women in community development during the implementation of the project. From positive results of the project, the possibility of creating more jobs intrigued women to participate into the projects and they became more aggressive at the end of the project. They were willing to share experience, providing the breeds to replicate to other households. They also committed to keep the business operated in following periods by utilizing the experiences gained from the project. It denotes that the women take initiative in goal-oriented activities and anticipate about future results.

Last but not least, it is obvious that the changes in business performance of women were uncovered after the project. For instance, for group of chicken raising, before the project, the baby chicken and old chicken were raised and fed in same area, letting them run freely in the backyard. Many chickens got diseased more easily in same flock as a consequence. When participating into the project, the women knew to separate the flock with barriers and fed the chicken with different brans for the growth as per the guidance from the experts, which allowed the chickens in each flock to grow more healthier and the productivity was higher. It also helped to identify diseased chicken in different flocks more conveniently and save cost for treatment. In other aspect, they also utilized the manure from chicken to make fertilizer for soil. The manure was composted at first to become an inexpensive substitute with higher nutrients and higher availability. Overall, the advice from the project for the women's entrepreneurial activities admittedly supplemented the value to other agricultural activities for the women.

Furthermore, based on the interview with expert, it helps to clarify the concerning issues of women in poor setting and how the women tackled them to advance in their

businesses. It is also vital to perceive about internal competences and increasing resources possessed by women. Starting from the fundamentals of resource-based theory of Barney (1991, 2001), it sheds the light to explain about the firm-specific resources. However, in the scope of extended boundaries, by applying resource-based view in the studies of entrepreneurship, leveraging intangible resources of women entrepreneurs are in the spotlight (Luthans et al. 2007, 2008, 2015; Baluku et al. 2016, 2018). The researchers depict that in order to create competitive advantage, female entrepreneurs should hold the essential skills with an expertise in their fields to exploit the opportunities. Tacit knowledge gained from the cognition by themselves through learning from others, which is a source of competitive advantage. Even they did not have sufficient knowledge before, realizing the value of new experiences is more significant for exploring opportunities. Under the influence of microfinance, the positive consequences are apparent when the shift in state-like mental ability or psychological capital becomes a driving force for women entrepreneurs. It is a process of transforming mindset of the women in terms of behaviors and attitudes towards the success as per mentioned-above case studies. Besides, the women can perceive about the benefits from the extension of relationships in a structural network. Forming high structured social groups becomes more crucial for them. This also contributes to manifest the arguments of Casson and Giusta (2007) in regard to social capital. At the same time, it crystalizes favorable context provided by networks in social capital. In this context, the complexity of market and the risks of uncertainty are very likely to be reduced. The relationships, thus, further emphasize on credibility and reputation of actors in the network to require cooperative commitment.

5 DISCUSSION

5.1 Psychological capital

In careful assessment from data collected, it is revealed that the entrepreneurial outcomes are clearly influenced by microfinance movements when the changes in psychological state of the women become viable. In developing countries, the idea of entrepreneurship for women was underestimated due to traditional social attitudes. Therefore, men-owned businesses often outnumber women-owned businesses. In fact, women also face with a plenty of challenges to start a business. They must overcome the concerns of limited funding, limited knowledge, unfavorable business environment, unexpected failure in business... For women, seeking the financial support from member families is not effective, meanwhile the requirement from official loan providers for collaterals is an issue to their financial abilities to start a business. Therefore, the provision of capital from MFIs helps to foster the entrepreneurial intentions of woman to invest in their businesses. The sufficient support system allows the women to access to helpful advices and receive mentoring from the experts. Another issue is the women's timidity in entrepreneurial activities. Women who used to lack of confidence and determination in resource-constrained settings are now accessible to financial and mental support provided by MFIs. Through the supporting activities, the focus of women has been changed. By assessing current situation and have a clear vision of the future as well as consider about potential business opportunities, the microfinance movement highlights the change of positive attribute or "optimism" of the women. Furthermore, when assessing the factor of "hope" as a construct of mental characteristic, it is perceived that the change is apparent. When the women were introduced to new activity such as training sessions of practical solutions and methods, they found it useful for their business and then became eager to acquire knowledge in a high-spirited manner. They started planning to implement by specific steps as well as showed a strong self-determination to achieve the goals. It implies that they anticipate about the success from what they are performing in higher possibility.

Furthermore, it is realized that social attitude is commonly one of the obstacles that female entrepreneurs in rural areas face with. The women endure the social pressure in engaging in occupational activities with male domination. Indeed, they could neither have identical backgrounds nor have same level of education, knowledge and skill. Neverthe-

less, when an opportunity was opened for the women to join in, they showed their enthusiasm to grasp new knowledge and adopt what they learnt in their businesses as the cases of women entrepreneurs in the project in Phu Tho province. It sheds the light that “self-efficacy” is improved when the capacity of the women with their determination execute the goals as anticipated. In the context of developing country like Vietnam, the women often cope with the barriers from inherent stereotypes about the role of women in society, thus the meaning of women empowerment has significant values in the women’s entrepreneurship. The empowerment through microfinance activities accordingly reinforces the potential of women. It enables the female entrepreneurs to recognize their competences in capturing new knowledge and skills, contributing to the boost of confidence. The relation between the factor of “self-efficacy” and the positive outcomes of entrepreneurship is also demonstrated in case studies, such as Ms. Van with rabbit farming model or Ms. Huong with incense-making business. These women have a strong belief on what they planned to do and manage to implement it. As for the female entrepreneurs who have a certain knowledge of their fields, they tend to take initiative in learning further from more knowledgeable experts. Accordingly, these entrepreneurs find out the flaws from other businesses in same industry, assessing current circumstances of their own businesses and then devising solutions for the improvement through suggestions from the experts. Meanwhile, other entrepreneurs make use of new knowledge to pursuit the direction for new venture creation by planning and moving forward to expected goal. Both cases reveal having a good vision of future or future orientation of female entrepreneurs, which is emerged from their perception in and after training sessions and consultancy of the experts. The microfinance indeed empowers and strengthen the will of the women by developing the mental capability inside the women towards the goals. However, it is obvious that when the female entrepreneurs have solid backgrounds and specific skills, it is very likely that they achieve more positive business performance than the entrepreneurs who have little experience. This situation also depends on the competence of gaining the knowledge and adopting what they learned from others into their real businesses. It reflects that in socially complex situations, opportunity recognition of each female entrepreneurs are not similar or so-called heterogeneous resources that they are possessing. In same training sessions, the access to the knowledge or human capital provided to female entrepreneurs could be from one source of information, however the utilization of these resources varies among the entrepreneurs. Hence, these abilities affect the entrepreneurial behaviors towards the success and entrepreneurial performance.

When it comes to the factor of “resilience”, it is exposed in most of the cases of women entrepreneurship. At the starting period of venture creation, women hardly think about giving up instantly. They tried to learn from other successful business models like Ms. Van in the model of rabbit farming. She did not hesitate to reach faraway areas where she could explore and gain the experiences from other models. In the project in Phu Tho province, the female participants also learnt from the training sessions to supplement to their abilities. These actions will help them to maintain their business in longer periods towards sustainable entrepreneurship. Most of women in case studies encountered the difficulties from the start of business but they took many efforts to seek for the solutions in their business direction. Regardless of hardship, they had a good response to environment changes and adjusted the entrepreneurial behaviors properly for given goals. Accordingly, competitive advantage from optimizing business opportunities becomes more apparent in these circumstances. For instance, in the rabbit-farming model of an innovative businesswoman, Ms. Van, she could be the pioneer in their region by recognizing these opportunities beyond the cognition of others, gradually proceeding their entrepreneurial intentions to stand out in their field. Nevertheless, the attitude of woman to risk was not exhibited clearly in all production groups in project at Phu Tho province. Generally, if the woman who has high resilience, she can cope with the risk and accept the challenges regardless of difficulties. Because of low resources, it is not easier for the woman in rural areas to take risks for business. Only when they are aware of feasible business plans through a careful consideration, they embark into business undertaking.

In terms of future orientation, the manner to build the entrepreneurial plans is perceived after women participated in the programs provided by MFIs. For the business with low performance such as group of mushroom cultivation or fish farming group, it required longer time for investment, but the supply or productivity was not ascertained. Whereas the techniques were required to be high and it took time to take experiments or trials before getting the results. There was a mismatch between the time of loan repayment and the time of payout from initial investment. Therefore, the circumstance forced the women to commit to a course of action in order to pursue the targets. When they were involved in the project and received the guidance, they nurtured hopeful intentions about their business with high commitment. They were willing to continue operation until the expected consequences were revealed. Meanwhile, for the business with better performance such as group of chicken raising or the model of rabbit raising of Ms. Van, these women focused on the business models that could mitigate forecasted risks and contains on-going

information. Accordingly, a good business model brings quick reproduction and lower risk to be anticipated. Therefore, women can expect about the pay-out of initial investment on their business and the possibility to repay the loan cycles. Furthermore, in business model which holds rich information, it facilitates women to learn from the experiences of other persons, having a proper adjustment to their business if needed. For instance, Ms. Van gained the success from rabbit-raising model because of her determination of studying from good models. Once she can evaluate the risks of business model and estimated the payoff, she came to the decision to invest on this model with a pursuit of long-term entrepreneurial activity. This process denotes that future aspirations are linked to the mind of women. Thanks to financial support and mentorship, it brings the sign of positive results with many potentials and contributes to alter mental attitudes of women to business undertaking.

5.2 Social capital

The significance of networking in the women entrepreneurship is apparent to be analyzed in this study. The support from microfinance encourages the women to step out of their comfort zones in order to connect to others and strengthen relational structures. The structure includes in group of women with same interest in a joint activity, the experts and local authorities. On the one hand, interpersonal compatibility encourages close bond among the women in lending groups. On the other hand, the collaboration from local authorities and the experts in the support of female entrepreneurs aims at providing an information-rich environment where knowledge is stored and shared to the participants. After that, the counselling process performed by local mass organizations allows them to be closer with the participants and then have a better understanding about the desires, wishes, aspirations of participants. It contributes to the smooth information-processing procedure within the duration of the project. Beside microlending activity provided by MFIs, the culture and sport events are conducted to increase the solidarity and mutual understanding among the members.

Firstly, in microfinance movement, microcredit is implemented via joint-liability lending group. Such method creates social networks of women entrepreneurs in a relational structure. Mutual support among members in same community are as well as bonding of them in term of cultural compatibility are thus uncovered. The sharing of information is implemented from one by one person, from one group to other group in order

that the flow of information is transferred regularly and continuously. The reason for effective exchange of information in same community is that they share common value of culture, viewpoints and interest of activity. It facilitates smooth transfer of real experiences in order that the knowledge and skill are captured by the actors in groups. Accordingly, the networking in this interactive environment is characterized by the willingness of sharing experience of women in same community. Giving benefits to other persons without requiring the favours back is perceived as “diffuse reciprocity”. When a woman joins in a networking structure, the interaction with other persons also contributes to change the structure of social relations. Additionally, the collaborative interaction among the members in lending groups is the core of maintaining the close bond and seek for the social trust. In vice versa, building the trust also encourages the collaboration. In other aspect, the benefits of relational structure are added up when greater networks are built. It is very likely that when each actor in same group striking for common goals accumulate more social resources including old and new relations, it helps to provide favorable conditions for business expansion through acquaintances for entire group. This social interaction in the group, thus, paves the ways for business development. Such interaction is assumed to assist the women in realizing the opportunities pertaining to investment on new business or simply finding out improved methods for their businesses.

Secondly, the social networks are not limited to the women in lending groups in same community but it is possible to connect to the stakeholders of the microfinance project. The stakeholders are the staffs, experts from MFIs, the partners of the microfinance project and local authorities. In fact, the exchange of information through training sessions from the experts along with experience sharing from successful economic models of members in group constitutes vertical network of female entrepreneurs. Before the involvement in training sessions, each actor in vertical network have a specific amount of social resources to grasp and possess internal competences. In their horizontal network, they find limited assistance in terms of knowledge at that time. Therefore, the interpersonal exchange of information, especially the actors from different activities will increase the connection and deepen relational structure between these actors. Social resources, thus, will be accumulated and supplement to their own internal competences. The flows of information also exist in social events where the large number of potential partners and investors engage in. In fact, it offers a convenient access to the market and encourages the women to exploit business opportunities. Hence, the possibility of obtaining rich information and generating business ideas seems to be higher. The female entrepreneurs in

this network can assess received information and select economic models to adapt in their business direction.

Thirdly, the network-based relationship in case of microfinance movement value transparent communication with high flexibility. For instance, the seminar was exclusively for providing essential knowledge, sharing real experiences with clear explanation for women to obtain the information. And the target of visits held by TYM Fund or regular visit in Phu Tho project to economic models in local area is to ensure that the women can understand about the operation clearly and know how to propose their future plans. The communication between the experts, local authorities and female participants were guaranteed that there was no ambiguous information during exchange of experience and knowledge among people. The participants could request for the counselling to take proper actions in their business activities if they encountered the difficulties. Such situation allows the female participants to be open to new knowledges and adapt properly in business environment with relevant stakeholders.

Regarding the attributes of social capital, structural embeddedness and relational embeddedness should be analyzed. It is obvious that structural embeddedness focuses on the indications of how the people in a network interact and configure the networking in a clearer understanding. Accordingly, the interaction among the female participants in a network creates the exchange of resources which are knowledge, skills, practical experience..., simultaneously, each participant realizes that their social resources are piled up through this structure of networking. In other aspect, relational embeddedness is perceived as the quality of networking. It is known that it reflects strong ties and weak ties of an individual in the relationships with others. They tend to concentrate on the relationships that they assume about anticipated benefits to be gained from that network. In the context of microfinance activities, it is ascertained that at first, female entrepreneurs start to rely on strong ties which are familiar with them and totally trustworthy to be in a collaborative relationship. These ties can support female entrepreneurs at the start of business by the contribution of labor, advices and financial support. However, the assistance from strong ties does not suffice to boost the business performance of female entrepreneurship. In that circumstances, weak ties show their values in diversifying the relationship. It denotes that the women are in need of sociability in establishing relations. They are associated with training sessions, social events, fairs, etc. in order to connect to the larger community in extended networks, forming social groups for cooperative purpose. These additional social resources are assessed to be beneficial for the enhancement of

business operation and the facilitation of innovation-related functions. The creative ideas can come up after meticulous study of successful economic models, as a result, there is a shift of business model to adapt to current market demand or the modification of business model for growth prospect. Moreover, in some cases, if the women just rely on inherent experience from family business, the productivity of this business remains. Only after receiving the guidance from experts, they can broaden the knowledge and apply into practical situations. Positive consequences of the business performance are, thus, achieved. Therefore, the utilization of social capital through collaborative relationship to create competitive advantage for their businesses in sustainability.

In summary, the collaborative relationship considerably influences the increase of social resources in the realm of female entrepreneurship. Through the participation of microfinance movement, the women have chances to access to extended networks, creating the linkages to partners, investors, local authorities. This relationship strengthens the structural embeddedness and relational embeddedness in interactive activities among the women in lending groups as well as in the connection with relevant stakeholders in business environment.

5.3 The influence of microfinance to entrepreneurial outcomes

It is evident that the bottom-up approach of microfinance becomes efficient in collecting information from borrowers in local areas. The credit officers of TYM Fund or the project staffs at Phu Tho Province could conduct meticulous analysis of the situations of female participants locally before giving loans to women. They came to meet and had a direct discussion with the women to understand about the women's demand, assessing the situations and providing consultancy services regarding loans for women. Simultaneously, there was always a tight cooperation between MFIs and local authorities to assure that the female entrepreneurs can receive the comprehensive support from the microfinance programs including microcredit, capacity building activities as well as facilitate the extra activities for culture, sport, fair events. In return, the feedback from the female entrepreneurs at localized groups could be recognizable in order that MFIs have prompt responses and assist women properly. It is said that thanks to this approach, the increase in psychological capital and social capital have been made smoother for female entrepreneurs.

Regarding the business performance of women-owned business, state-like constructs of psychological capital including in hope, optimism, self-efficacy and resilience can have substantial influence. The women no longer feel timid in the journey of seeking

business opportunities, instead of that, their confidence is boosted dramatically. They have been optimistic about the future, knowing how to establish plans and form the pathways to implement as well as accept the challenges in business operation. The fruitful consequences were demonstrated in the case studies of women, which depicts that the transformation of mindset brings the success to the women. When it comes to social capital, the network relationship from microfinance program allows women to connect to the partners, dealing with issues of outputs of production activities, growing business with additional labor forces. Moreover, under the circumstance of receiving helps from MFIs to join in a process of resolving problems together, they are the signals of gathering social assets to the women. Although not all the women-owned businesses accomplished the planned goals, the benefits outweigh the drawbacks. The strong commitment of women towards the business along with their persistence to pursue the chosen pathway is likely to be significant. Looking at long-term orientations, they expect to handle remaining issues in on-going business.

In addition, the individual benefits are perceived when discussing about the participation of the women in microfinance. They can gain the knowledge and skills as explicit knowledge, at the same time, tacit knowledge is achieved through the flows of information exchange from extended social networks. These knowledges can be considered as competitive advantage for the women in business environment, motivating the women to foster the innovative activities in business models to become the pioneers in their fields.

In order to theorize the mention-above factors and supplement the constructs to Newman et al (2014, 160)'s model, the following model as shown in Figure 7 will indicate the relationship of microfinance with its impact to entrepreneurial activities of women through intangible resources in terms of psychological and social capital. Firstly, supporting activities including in providing the micro loans, holding the training sessions to enhance capacity building, assisting in promotional activities highly motivated women to overcome the constraints in order to invest in their own businesses. They experienced the transformation in mental characteristics and get inspired from preceding successful business models to have courageous entrepreneurial behaviors in a pursuit of venture. On the other hand, further opportunities are increasing for women when engaging in the microfinance program because the likelihood of interaction with external environment is higher. The women are organized in joint-lending groups with similar interest according to their own decisions. Accordingly, interpersonal compatibility is satisfied in group discussion and production activities. The exchange of information thus becomes easier for

all members on a basis of collaborative relations. They are not only linked to same production activity by groups but also take joint responsibilities to repay loans to MFIs. Hence, this relationship mainly relies on the social trust and respectability among the members in a group. The existence of “diffuse reciprocity” is also recognized fully when sharing information among the members without any hesitation. Shared benefits for the members in the microfinance movements enable their trust towards MFI to increase noticeably. Beside this relationship, the networking is related to the partners, the experts and relevant organizations. It should satisfy social flexibility and transparent communication in establishing the relations. By combining these factors, it exhibits that social capital is based on collaborative relations to grow in quality and quantity. In summary, the changes in psychological and social resources have a considerable affect to entrepreneurial outcomes of female entrepreneurs in the context of community-based activities.

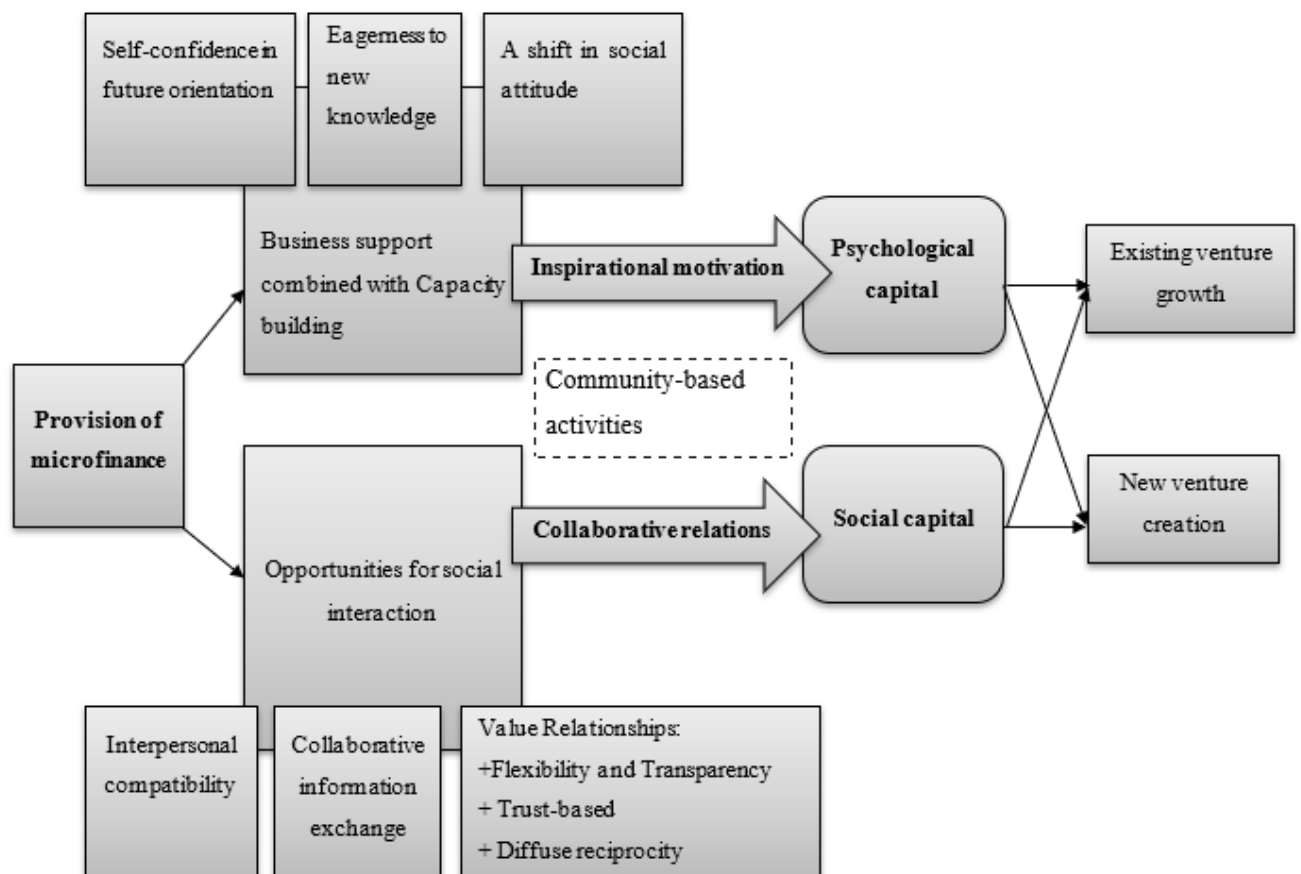


Figure 7 Theorized model

6 CONCLUSIONS

By the perceptions gained from empirical findings, they are admittedly useful to address the gap in phenomenon of interest regarding the relation of microfinance and women entrepreneurship. By exploring the mechanism of MFIs in women-oriented activities, the findings crystalized considerable influences of microfinance through systematic approaches to motivate women in the realm of entrepreneurship as per the target of main research question. Besides, the aspects regarding entrepreneurial outcomes became attainable when there was an emphasis on intangible resources of women. Because psychological capital and social capital played an important role for the success of women, the in-depth research regarding microfinance was a good response to clarify the concerning viewpoints in sub-question 1 and 2, respectively. More specifically, in chapter 6.1, the consequences will be presented to provide new insights adding to preliminary framework mentioned in chapter 1.2. After that, the chapter 6.2 opens the suggestions for MFIs and policymakers to empower women in socio-economic development.

6.1 Theoretical implication

In this study, the fundamentals of resource-based view of Barney (1991) were discussed to discover the strengths and weakness of the firm as a source of competitive advantages. Beyond the limitation of the view regarding firm-specific resources, it was a necessity to look through in further individual-oriented arguments. It opened a pathway to extend the boundaries of resource-based view to be applicable in entrepreneurship studies where heterogeneous resources were also highlighted in socially complex setting. Indeed, these resources should be utilized by proactive entrepreneurs to explore business opportunities. Each entrepreneur can possess unique skills and know-hows to be organized effectively to create advantages outperforming other entrepreneurs. As Barney et al. (2001, 628) stated that the illustrations of entrepreneurial competences are heterogeneous resources. In connection to women entrepreneurship, the values of principles remained according to the evidence from the success of women in supportive context of TYM. The case studies of women entrepreneurs reflect the distinctive characteristics from their backgrounds. Each individual is considered as being one economic actor who possess skills and knowledge in their field. In case of creating competitive advantage, the women should demonstrate their capacity of recognizing opportunities before the others find out. In other aspect, Alvarez and Busenitz (2001) pointed out about the emergence of new opportunity

in favorable business environment to create new product. Even though the entrepreneur does not have expertise in a specific field, she can recognize the value of the knowledge from the discovery of new opportunity, it is considered as a tacit knowledge. As a matter of fact, successful businesswomen as members of TYM showed that they had little knowledge to maintain in a sustainable entrepreneurship before they came to know about microfinance of TYM. However, the valuable experiences determining their success were perceived by themselves during the process of exploration and exploitation of business opportunities. They knew to utilize their own resources, which indicates that the advantage from tacit knowledge to be exceptional. It adds up to the discussion of Ireland et al. (2003) detailing that tacit knowledge by nature is inimitable by others, so the source of competitive advantage is realized.

Furthermore, the center of the study is the effectiveness of microfinance in supporting women in venture creation or extending their current venture. It is appropriately associated with theoretical framework developed by Newman et al. (2014, 160). Such framework originally indicates that the provision of microfinance for the entrepreneurs focuses on business support to affect psychological capital and emplace interactive opportunities for social capital. This process leads to the entrepreneurial outcomes regarding to the improvement of current business or the creation of new venture. Through this study, the supplemental factors in business support and interaction are unfolded to have a better understanding about the impact to intangible resources of women including in psychological capital and social capital.

When it comes to the aspect of business support, it is analyzed in detailed facets by revealing the changes in psychological capital. They are the shift in social attitudes, self-confidence, future orientation and the enthusiasm in gaining new experiences. Four state-like constructs of psychological capital are, thus, exhibited obviously in fostering entrepreneurial outcomes. Firstly, the belief in own competence is strengthened for each woman in the aspect of “self-efficacy”. It means that the women can take a course of action with high motivation after gathering essential resources to complete tasks in the future. At that time, the women overcome the concerns of limited funds and timidity to take full responsibilities to their own businesses. Traditional social attitudes used to restrain women from taking initiative in seeking business opportunities, excluding them from favorable business environment and making them worried about existing gender disparity in social settings. When the women are given access to new knowledge and shared experiences from MFIs, there are motivating forces to stimulate them to feel more

confident, recognizing their own competences and potentials to start women-based businesses. Business goals are set up and then business plans are devised from accumulating current experience and new ones. These findings prove that the women have positive thinking about the future as well as future aspirations become viable to them. It implies that the factors of “hope” and “optimism” are shown as positive to the entrepreneurial outcomes, which encourages woman to grow her business to some extent by completing given goals. Another factor helping woman to overcome business challenges is “resilience”. In negative events, the woman can face with and then handle them by positive motivating forces. Although the changes in resilience were not applied to all cases of women entrepreneurs, some of them shed the light to inspire other women and guide them in fully controlling the demanding situations to advance in their businesses.

The second focal point in this study is the increase in social capital in female entrepreneurship. The entrepreneurship itself is related to self-employment with uncertainty and risk-taking for any entrepreneur. Meanwhile, the owners of small businesses in this study is the women who live in resource-constrained settings. Lack of supporting system in impoverished setting together with social attitudes hinders women from joining a network of people to share their experiences. Moreover, the success of women does not totally depend on training sessions, but the favorable environment to develop themselves. Therefore, the facilitation of interactive environment in group meetings, training sessions, seminars, events held by MFIs form a structured network for female entrepreneurs. They meet on a regular basis to perform exchange of information which is beneficial to all members. In this network, the commitment of members for maintaining the participation is significant. On the basis of common interest in production activities, they get along with together by the compatibility and the trust is also built gradually in this network. At the same time, peer supervision in group is, thus, implemented to assure the responsibilities of each member. Furthermore, it is undoubted that MFIs create the bridge for female entrepreneurs to the partners in extended networking. The established network in microfinance movement is also characterized by the criteria of flexibility, transparency and reciprocity. The mutual support arising from interactive opportunities deepens the bond of actors in that network, enhancing the solidarity between microfinance providers and female participants in a collaborative relationship.

Other aspect has not discussed closely in this study is the competition in business environment because it does not reflect the outcomes of project implementation in respect

to entrepreneurial activities for women. Microfinance in developing countries like Vietnam, in fact, does not focus on the creation of competing among women. Instead of that, the related activities are heavily based on community and mutual support among women in same group. At the same time, the resource-based theory involving in competitive advantage illuminates how women utilize their own resources to exploit distinguishing business opportunities in the context of microcredit along with supporting activities. It remarks the manner which women perceive to find out the direction and create a profitable business or take effort to improve growth. After that, it leads to the remarkable achievements in women entrepreneurship and clarifies about individual benefits such as tacit knowledge. Depending on the cognition and competence of each female entrepreneurs, they can reshape the pathways to accomplish the success in business undertakings. The success in women-owned businesses also promotes the ability of creativity to develop innovative business models.

6.2 Managerial implication

It is known that the mission of MFIs is to strengthen the involvement of women in social and economic activities. For past years, microfinance movement in developing countries has performed competently the mission of supporting women to a greater extent. The reinforcement of women empowerment in rural areas with remoteness and full of difficulties has been critical to be implemented. It is also appropriate to advocacy campaigns and development policies of capacity building for women proposed by the government in Vietnam.

Moreover, in the originality of Grameen method, the clients of MFIs should own a significant position in the organization. For instance, the member of local management department can represent for the voice of women and understand better about the desires, demands from clients in specific as well as provide essential supports when needed. However, in the mechanism of MFIs in Vietnam, the system relies on the professionals of these institutions to ensure the efficiency operation on the right track and execute the mission of MFIs for committed goals. The power of women in leading role is demonstrated through the experts from MFIs and credit officers in regional level. Most of them are the women with high enthusiasm and passion in the journey of women development and support for the poor in rural areas. Besides, it is demonstrated through head of lending groups. A head of group not only share benefits and responsibilities with other members, but she also takes the supervisor's role to assure loan repayment to be implemented. She

is also respected by all members and gains a higher credibility to be selected for this position.

In order to empower women in socio-economic development, the following principles are concentrated on: (i) the sense of women in their self-esteem, (ii) the choices are selected and decided by the women, (iii) access to the opportunities and resources are favorable for women, (iv) full of competence to control their own lives and (v) possibility to create transformational influence to society (Tran & Barth, 2013, 58). Therefore, by participation in microfinance movement, the women become confident about themselves when they are somewhat knowledgeable in their field and are enthusiastic in gaining new experiences. It promotes women to take full control of business and make important decisions for their lives. The power of women is, thus, enhanced enormously. Moreover, it is essential to avoid differentiating the policies for women and men. Because the right to access to knowledge and training with entrepreneurial skills belongs to both genders and they can stimulate creativity in business activities. By bringing out these changes gradually in social attitudes, the mindset of women will be improved with positive thinking.

In addition, the assessment of the impact of microfinance in the entrepreneurial outcomes for women is performed in medium term. It cannot signify the similar impact to the female entrepreneurs in long-term activities. For instance, in the project in Phu Tho province, the period of implementation was within two years. There were on-going businesses to be expected for re-investment together with the commitment of the female participants. Therefore, the level of impact to female entrepreneurs in this study merely reflects the improvement in the mindset and networking of women in a specific period. Accordingly, a potential for further research by the experts and researchers is available for the diffusion of values to entrepreneurial activities exclusively for females. For local authorities, the guidance from experts is needed in developing policies in order to bring more benefits for women-owned businesses in resource-constrained areas.

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APPENDICES

Appendix 1. Interview questions.

The questions for the interview were organized as follows:

1. Please introduce about microfinance-related projects for women that you were involved in (Projected area and the scale of the project, the structure of project, how microcredit is distributed, etc.)
2. Could you please elaborate the beneficiaries and stakeholders of the project? How did they manage to join in this project? Which role did they take over?
3. Please explain about the background of participants.
4. How is the project implemented in production groups?
5. What are the outputs of the project?
6. How do you assess about business performance for each group of participants?
7. How did the participants feel before and after the involvement of the project? How do you describe the changes if any?
8. How do you describe the relationships among participants and relevant stakeholders of the project?
9. Did the participants commit to the activities during the project?
10. Would they desire to continue their entrepreneurial activities after the support from the project ended?