

# Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises in ADDIS ABABA

Yeheysh Mezgebe  
yeheysh95@gmail.com

Gebre Miruts (Ph.D.)  
lewama10@gmail.com  
Addis Ababa, Ethiopia

## Abstract

The purpose of this study is to look into the elements that influence how well women entrepreneurs do in MSEs and the difficulties they encounter while trying to get technical and business training support from training colleges or institutions. A descriptive study design using a variety of research methods was used to reach the goal. Using probability and non-probability selection techniques, including simple random and purposeful sampling procedures, a sample of 238 female entrepreneurs working in three sectors was selected for the study. To respond to the fundamental interview questions (purposive approach), questionnaires were created using close-ended and Likert scales, and they included questions about how women entrepreneurs perform in MSEs and the difficulties they encounter during technical training. After the data was gathered, it was examined using simple statistical methods (tables and percentages) and descriptive statistics (mean and standard deviations). Inferential analysis such as regression analysis tests the relationship between the three explanatory variables and the explained variable. The study's adjusted R square yielded a result of 75.1%. 75.1% of women's entrepreneurial performance is explained by economic, sociocultural, legal, and administrative issues, while the remaining 24.9% is explained by other factors that are not the focus of this study. The key economic issues that affected how well women entrepreneurs performed in micro and small businesses were their lack of company space (land), financial access from microfinance or other lending institutions, poor access to business training, fierce market rivalry, access to technology, and availability of raw materials. Conflicting gender roles or domestic responsibilities, networks with outsiders, and social acceptability are the main social elements that have an impact on these entrepreneurs, according to the study. According to the researcher, wereda 10 in the Lideta sub-city has a minimal socio-cultural influence, but there are still significant economic and administrative difficulties.

**Keywords:** Factors, performance, women entrepreneurs, micro and small enterprises, Impact, major, characteristics, Factors affecting.

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## 1. Background of the Study

The term "entrepreneurship" was coined in the 1700s, and since then, its definition has changed. Many people simply ask for it by opening their own business. According to some economists, an entrepreneur will take on the risk of a new business venture if there is a sizable probability of success. A fundamental component of economic dynamism, entrepreneurship is increasingly understood to be a significant generator of economic development, productivity, innovation, and employment. The core problem of entrepreneurship is how to convert ideas into profitable opportunities. History demonstrates that pragmatic individuals who are enterprising and imaginative, capable of recognizing opportunities, and prepared to take risks have considerably contributed to economic advancement. (Holden,2011). Small firms and enterprises are responsible for about 50% of all new jobs in Ethiopia, according to the Ethiopian Central Statistics Authority (2004). Women-owned roughly 49% of the new businesses that were operational between 1991 and 2003. To specifically create jobs in urban and semi-urban areas, micro and small enterprise development are one of Ethiopia's top development targets. The Ethiopian government recognizes that MSEs can help people escape poverty and accelerate development to the point where MSE growth occupies a critical position in the growth of the nation's manufacturing and industrial sectors. The right steps should be done to lessen the obstacles/challenges faced by female MSE entrepreneurs to make the nation, the sub-city, and the women themselves the benefactors of this enormous potential. Lideta sub-city wereda 10 is one of the areas of the Addis Ababa administration where a lot of women entrepreneurs can be located. Information taken from Addis Ababa administration town, Lideta sub-city wereda 10 MSEs office shows that more than 1,300 women entrepreneurs are found in the town. Of these, about 600 are working in MSEs. As the city administration as a whole, women's entrepreneurship problems are tremendous in the wereda too. To take appropriate measures against these problems, understanding the factors related to the problem is a prerequisite to clearly explaining half of the problem.

Therefore, the purpose of this study is to determine the key variables that influence how well women company owners perform in MSEs in the wereda 10 Lideta sub-city of Addis Abeba administration town and suggest the necessary action. Although there are many women in Addis Ababa, the city does not yet fully utilize them to support significant economic development. The difficulties faced by women business owners in MSEs may be one of the causes of this. Various empirical pieces of evidence support this. For instance, Gamachis (2007) and ILO (2009) emphasized that entrepreneurs face a variety of difficulties. Due to this, MSE business owners are unable to make significant contributions to the country's and the city's efforts to reduce poverty.

Through TVET colleges and institutions, entrepreneurship is taught in numerous nations, including Ethiopia, in a formal, informal, and non-formal approach to building an entrepreneurial culture for all groups of the population (MSEDPS). (Third Edition March 2010, revised April 2016) Since 2009, TVET has established an MSE coordination office in addition to offering entrepreneurial training using various models. For small and medium-sized businesses, the office offers a range of convenient short-term business concept-related and technical training, from registration to certification. All of these significantly improve the performance of female entrepreneurs by giving them the necessary business skills. There is a dearth of specialized research that specifically examines the difficulties related to economic, social/cultural, legal, and administrative issues in women-run businesses in Addis Abeba, even though women entrepreneurs in MSEs make up the majority of all entrepreneurs in the country as a whole and Addis Abeba Technical College, in particular Wereda 10 in the Lideta sub-city. By identifying specific elements that account for the elasticity in SMEs run by women entrepreneurs, and by shedding light on gender-specific disparities that affect their performance, this study aims to close any gaps in the literature. Thus, it was intended for this study to evaluate the many variables influencing the performance of women business owners in MSEs in Addis Abeba administration town, Lideta sub-city, wereda 10. Additionally, it would be very well examined how TVET and financial institutions provide technical training and financial support to MSEs. The difference between this study and the researchers discussed above is that their area of focus is on both sexes (male and female) owned entrepreneurs. And also relatively speaking, they did not see what factors they faced in different economic, socio-cultural, legal, and administrative affairs. Similarly, their research did not target female entrepreneurs in SMEs. But this study specifically emphasizes factors that affect the performance of women entrepreneurs in MSEs, particularly in Addis Ababa administration town, Lideta sub-city wereda 10.

## **1.1 Objective of the Study**

### **1.1.1 General objective of the study**

The purpose of the study was to evaluate the key elements influencing women's success in MSEs and the difficulties they encounter when beginning and operating their businesses in the Addis Abeba town Lideta sub-city wereda 10.

### **1.1.2 Specific objectives**

1. To identify the primary variables influencing how well women entrepreneurs perform in MSE
2. To determine the assistance offered to female business owners in MSEs by Addis Abeba Town's Lideta Sub-City Wereda 10 Technical and Vocational Training and Finance Institutes.

## **2 Theoretical review**

### **2.1 Differences between Women and Men Entrepreneurs**

Different academics have noted disparities between male and female entrepreneurs, yet it has been demonstrated that gender does not affect new venture performance when preferences, motivation, and expectations are taken into account. Among these, Shane (1997) noted that men had higher expectations and more business experience before starting their company; women entrepreneurs had larger average households; men and women entrepreneurs had similar educational backgrounds; women were less likely than men to buy their company; women were more likely to have positive revenues; men were more likely to own an employer company, and female owners were more likely to prefer low risk/return investments. Male business owners were more likely to start a company to make money, had higher expectations for their company, and put more effort into finding business opportunities. Male entrepreneurs were also more likely to create technologically complex companies, companies that lose their competitive edge more quickly, and companies with less locally based clientele.

### **2.2 Empirical Review**

#### **2.2.1 Factors Affecting Women Entrepreneurs' Performance**

Women Entrepreneurs have grown in large numbers across the globe over the last decade and an increase in the entrepreneurial potential of women has changed the rural economies in many parts of the world. But this does not mean that the problems are resolved.

In support of this, The Centre for Women's Business Research in the United States as cited in UNECE (2004) and Mahbub (2000) identified the following factors that affect women entrepreneurs.

A. Access to finance; for women, access to finance is a major concern. One of the biggest difficulties for women entrepreneurs is getting credit, especially when establishing a business. Due to a variety of factors, such as a lack of collateral, reluctance to accept household possessions as collateral, and loan officers' unfavorable attitudes toward female entrepreneurs, women frequently have fewer options than males to obtain credit (Mahbub, 2000).

B. Expertise, experience, and relationships are necessary for market access as well as the capacity to enter new markets. Women frequently lack access to training and expertise in how to participate in the marketplace, making it difficult for them to strategically promote products and services. As a result, women-owned SMEs frequently find it difficult to handle both the production and marketing of their products. They frequently haven't been exposed to the global market, thus they don't know what is considered acceptable globally. For many SMEs, in particular women-owned enterprises, the high expense of establishing new business contacts and partnerships in a new region or market is a major disincentive and impediment. Additionally, women may experience sexual harassment, fear bias, and have their freedom to travel for business contacts limited (UNECE, 2004).

C. Access to training; Women have limited access to vocational and technical training in South Asia. Women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. South Asia is characterized by low enrolment among women in education, high dropout rates, and poor quality of education (UNECE, 2004).

D. Access to networks; Women have fewer contacts in business, less understanding of how to navigate government bureaucracy, and less bargaining power, all of which further restrict their ability to advance. It might be challenging for women entrepreneurs to getting information because they typically run small businesses and aren't typically part of networks or professional organizations. The majority of current networks are male-dominated and occasionally not very inviting to women, preferring to be exclusive instead. Even when a woman enters these networks, her task is frequently challenging because the majority of network activity happens after conventional business hours. There aren't many networks where women are the majority of the only members where a woman may join, develop her confidence, and advance. Lack of networks also denies women access to information and positive role models. Due to the combined obscurity of women-dominated sectors or sub-sectors and women as people within any particular sector, few women are invited to participate in trade missions or delegations (Mahbub, 2000).

E. Access to policymakers; most women have little access to policymakers or representation in policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more like their peers. In traditional business organizations, women are less likely to be members and far less likely to hold leadership roles, which limits their ability to fight for policies. The lack of information available for women also affects their ability to make informed policy decisions (UNECE, 2004).

The vulnerability of women to the negative effects of trade reform; restrictions regarding assets (land); a lack of information to take advantage of opportunities; poor mobilization of women entrepreneurs; a lack of management skills; a lack of awareness among young women of entrepreneurship as a career option; and conflict are additional key factors that affect women entrepreneurs' performance, particularly in developing continents like Africa.

### **2.2.2 Women Entrepreneurs in Ethiopia**

Research has shown that women can make the transition from a micro to a small enterprise under the right circumstances. According to a 2003 ILO research on women in growth enterprises, 70% of women entrepreneurs who are currently running small businesses began them as micro-enterprises and expanded them over time. The following, listed in order of greatest to least importance, are the primary difficulties that Ethiopian women business owners encounter, according to Eshetu and Zeleke (2008) and ILO (2003). getting a loan from a commercial bank is difficult, failure of the firm or insolvency, inability to reinvest profits, lack of technological expertise, bad managerial abilities, and low education level.

### **2.2.3 Women Entrepreneurs in MSEs in Addis Ababa**

Women entrepreneurs in MSEs Addis Ababa city administration play a crucial role in the economic improvement because they utilize relatively less capital, it's a home of entrepreneurship, can create substantial job opportunities, utilize cheap and local raw materials, and produce goods and services. This saves hard currency for the country in general and Addis Ababa in particular and the very important point is that it is creating opportunities for the population to earn (generate) income, which by itself creates a way to reduce the poverty.

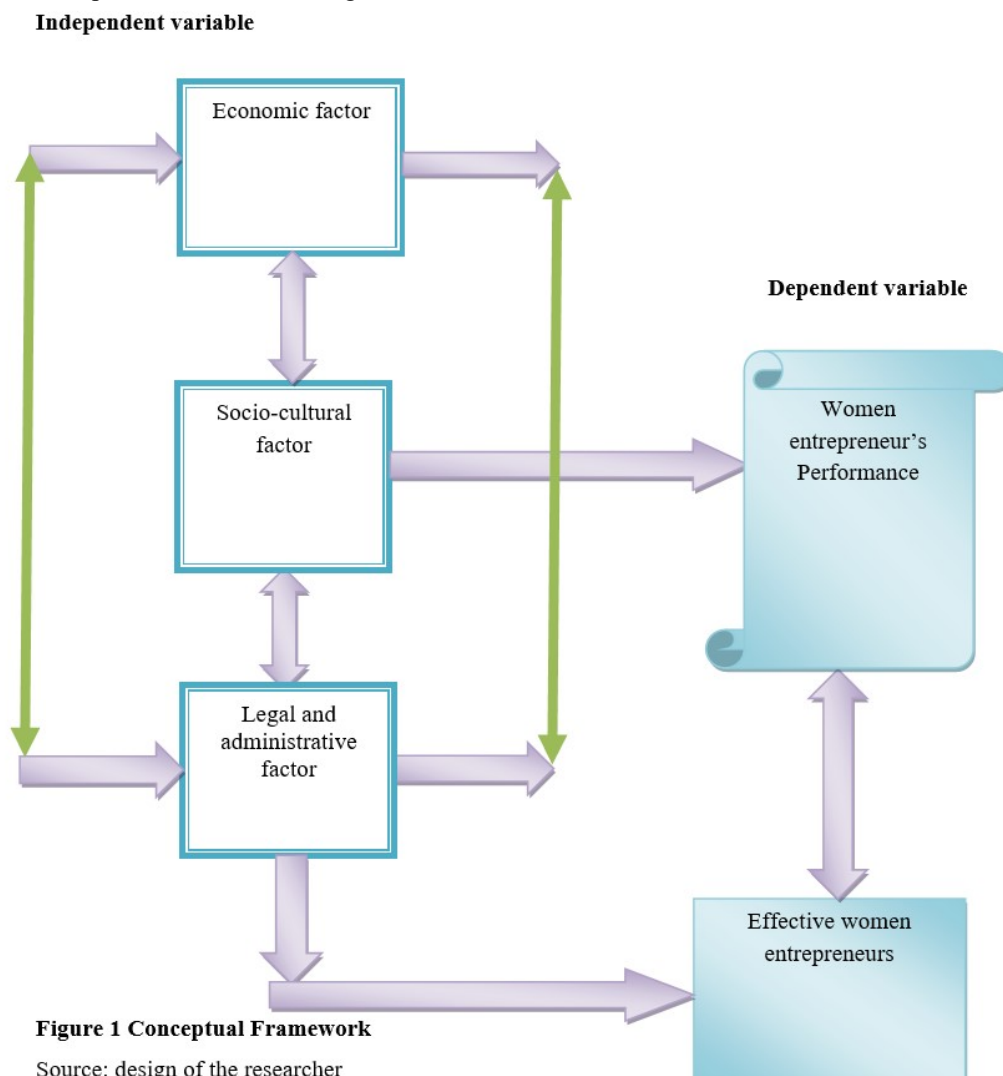
Encouragement and promotional activities of women entrepreneurs in MSE in the city have been weak. Although the city administration government created organizations to carry out the MSE city administration strategy, little has been accomplished to date. Women MSEs still experience significant limitations in their daily lives, which hinder their ability to advance professionally. Even in a market economy that is operating efficiently, these Micro and Small Enterprises are unable to solve the issues they faced on their own.

The issues/restraints/relate to one another, to the legal and regulatory environments, access to market,

money, business information, business premises, the acquisition of skills and managerial competence, access to relevant technology, access to infrastructure, and, in some circumstances, discriminatory regulator practices.

### 2.3 Conceptual Framework

Can be expressed and shown in figure 1



## 3. RESEARCH DESIGN AND METHODOLOGY

### 3.1 Description of the study area

The focus area of the researcher is one from the Addis Ababa sub-city Lideta sub-city specifically in wereda 10 institutions of micro and small enterprises. There are more than 1,300 female entrepreneurs in wereda10, according to data gathered from the MSEs office sector. Of these, about 600 are working in MSEs. As the city of Addis Ababa as a whole, women's entrepreneurship problems are tremendous in the wereda10 too. These 600 women entrepreneurs are participating in the construction, trade, service, and manufacturing sector.

Now in the Lideta sub-city wereda10 has different kinds of women entrepreneurs from these the most prominent women entrepreneurs are constructions, food, and beverage, beauty salon, woodworks including furniture, cafeteria & restaurant, and retail trade of local products.

### 3.2 The Research Design and Strategy

The researcher combined quantitative and qualitative, or mixed, research methods to achieve the study's objectives. The quantitative approach is used to analyze and interpret data by using statistical tools and helps to conclude regarding factors affecting women's participation. It helps to analyze data concerning research variables and once the data are collected, the quantitative approach uses statistical procedures to express the result based on numbers and quantitative forms. Close-ended questionnaires were analyzed by quantitative approach. A qualitative approach was used to analyze open-ended questions and interviews. This approach is

also used for exploring and understanding the data collected from the opinion of respondents and means of providing information without using statistical analysis methods, it is simply described in descriptive forms. Kothari (2004) asserts that the qualitative technique aids the researcher in producing conclusions that are either non-quantitative or do not undergo thorough quantitative scrutiny.

### 3.3 data type and Source of Data

Both primary and secondary sources of data were used for the study. The secondary data include information that is obtained mainly from different reports, bulletins, websites, and literature, which are relevant to the theme of the study, and were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to women entrepreneurs and interviews conducted with MSEs and Microfinance leaders Of the Lideta sub-city wereda 10.

### 3.4 The Study Site and Population

As there is no census data on women entrepreneurs in Addis Ababa Lideta sub-city wereda 10, the study targets a population consisting of 600 Women Entrepreneurs whose businesses are operating in different sectors (Trade, Manufacturing, Services, and Handicraft). To collect information about women's entrepreneur's performance, documents related to the research topic such as women entrepreneurs and Lideta sub-city wereda 10 SMEs leaders, and governmental financial institutions were included.

### 3.5 Sample Size Determination

The selection of sampling techniques to use in a study depends on several related theoretical and practical issues like considering the nature of the study, the objective of the study, and the time and budget available. In this study, probability and non-probability sampling techniques especially, simple random and purposive sampling techniques were used.

Simple random sampling was used to select the premium and business customers as respondents. Farther more, to cross-check the reliability of the response, purposive sampling would be used for management bodies of MSEs and microfinance in Addis Ababa Lideta sub-city wereda10. Purposive sampling is preferred because it enables selecting and picking only those persons who know the factors that affect the women entrepreneur in small and micro enterprises best meet the purpose of the study. Concerning the sample size, it can be determined by several factors; however, the size of the sample must be optimum which fulfills the requirement of efficiency, representativeness, reliability, and flexibility. For this study, 240 respondents were taken as a sample. This is justified by Taro Yamane's (1967:886) simplified formula used to calculate the sample size. Besides, the researcher believed that this sample size would be appropriate since the selected respondents have more knowledge about the researcher's title.

According to Yamane, the sample size (n) for the targeted population size (N) will be calculated using the

following formula. i.e.  $n = \frac{N}{1 + N(e)^2}$  (@ 95% confidence Level)

Where,

n= the desired sample size

N= number of target population size

e= sample error

$$n = \frac{N}{1 + N(e)^2} = \frac{600}{1 + 600(0.05)^2} = 240$$

**Table 1 Sampling frame and sample size:**

Key sectors	Total population	Proportion	%	Sample size
Construction	98	16.3	16.3	39
Trade	202	33.6	33.6	81
Service	102	17	17	<b>41</b>
Manufacturing	198	33	33	79
Total	600	100	100	240

As it is shown in the above table, the total number of construction sectors is 39, the total number of trade sectors is 81, the total number of the service sector is 41, and the total number of the manufacturing sector is 79. Now the researcher employed the proportion allocation method to determine the sample size and the researcher was to take a sample of 39 respondents from the construction sector, 81 respondents from the trade sector, 41 respondents from the service sector, and 79 respondents from the manufacturing sector. Therefore, the sample size would include 240 respondents of women entrepreneurs without the interviewees of MSEs and microfinance management in Addis Ababa Lideta sub-city wereda10.

### 3.6 Tools and procedures of Data collection

The data collection method that was used in this research was a self-administered questionnaire that comprises both open-end and closed-end questions.

Data is obtained from primary sources, which included direct interaction and interview schedules with various respondents; and secondary sources mainly from books, research dissertations, publications of the Ethiopian Central Statistical Authority (ECSA), journals, and other documents on entrepreneurship, and related literature. In addition to this to make the questionnaire simple and clear, the researcher tried to translate English into the respondent's local language Amharic language this helps interviewees express their thoughts in their native language without limiting the thoughts to be explained.

During the study, secondary data from documented materials as well as official small and micro-enterprise reports was used. A semi-structured main informant interview was performed with selected individuals in the Lideta sub-city wereda 10 in addition to the structured questionnaire. Because of its versatility, the main informant interview is used.

### 3.7 Data processing and analysis

#### 3.7.1 Descriptive Statistics

Both qualitative and quantitative data analysis methods were used to examine the acquired data. The numeric data will be examined using the Statistical Package of Social Sciences (SPSS) version 25.0, and the qualitative data will be presented as a statement. Descriptive statistics would be used to examine the data coded and entered into SPSS from the questionnaire data. The descriptive analysis method was used for this study because it makes it easy to conclude. For the Likert statements, descriptive statistics (mean and standard deviations) of the respondent ratings were calculated. These mean scores and deviations among respondents were then compared to conduct an analysis. By comparing the means and standard deviations of the scores, descriptive statistics are used to compare the many aspects influencing the performance of women entrepreneurs in MSEs.

#### 3.7.2 Inferential Statistics

Inferential statistics were computed and used to come up with the conclusion on how representative was the sample of the tale about the population. First, Pearson Product-Moment Correlation Coefficient analysis was applied which is primarily concerned with finding out whether a relationship exists or not and determining magnitude and direction. The performance of women entrepreneurs was measured using multiple regression analysis, which is thought to be a function of the independent variables of economic, sociocultural, legal, and administrative issues. The main goal of this study's use of the regression equation is to increase the researcher's effectiveness through the description, comprehension, prediction, and management of the specified variables.

#### 3.7.3 Reliability of the Instrument

According to Bless & Higson-Smith (2000), reliability is concerned with the consistency of the instrument, and an instrument is said to have high reliability if it can be trusted to give an accurate and consistent measurement of an unchanging value. Cronbach's alpha coefficient was calculated to estimate the reliability of the women entrepreneurs' questionnaire and the factors that affected the women entrepreneurs' questionnaire instrument of this research. According to Sekaran's (2000) coefficients, additionally, the reliability of the instrument was measured by using Cronbach's alpha test. A reliability test is performed to check the consistency and accuracy of the measurement scales. As the bottom table shows the result of Cronbach's coefficient alpha is satisfactory (between 0.73 & 0.93), indicating questions in each construct were measuring a similar concept. As suggested by Cronbach (as cited in Tech-Hong & Waheed, (2011). The reliability coefficient result >0.9 excellent, > 0.8 good, >0.7 acceptable, < 0.6 questionable, and < 0.5 poor. The internal consistency reliability results between 0.70–0.90 were generally found to be internally consistent.

**Table 2 Reliability test result with Cronbach's Alpha**

Description	Items	Cronbach's alpha
women entrepreneur performance	4	0.805
Economic factor	10	0.877
Social factor	10	0.793
Legal and administrative factors	10	0.837
Overall reliability results	34	0.889

Source: Own Survey data (2021).

#### 3.7.4 Validity of the Instrument

It is obvious that the instrument was approved to be reliable; it is difficult to conclude the instrument is valid. As result, the researcher tried to consult the relevant literature to increase the validity of the instrument by adopting the items of this specific research. Moreover, to keep up the validity for ensuring the validity instruments, initially, the instruments were prepared by the researcher and developed under the close guidance of the advisors and other teachers. The questionnaires were checked and corrected by Lideta sub-city wereda 10 MSEs and the

financial institution management committee. Moreover, the questionnaires were pilot tested to carry out a pre-test of the instruments, and to avoid ambiguity and unclear statements. The draft questionnaires were tested on women enterprisers, MSEs, and financial institution leaders. Based on the respondent's response additional modifications to questions were made. The pre-test was providing an advanced opportunity for the investigator to check the questionnaires and to minimize errors due to improper design elements: such as questions, wording, or sequence (Adams et al., 2007). My advisors and the management committee of both institutions consulted in providing comments. The English version was translated into Amharic and reviewed for alignment to improve the instrument's clarity.

#### 4.4. Factors Affecting Women Entrepreneur's Performance in MSEs

Women entrepreneurs in MSEs face a variety of issues related to various variables. The main economic factors that influence these entrepreneurs are listed in the following table.

##### Economic factors

The main economic elements influencing how well-performing women entrepreneurs succeed include finance, market, training, land, information, managerial skills, infrastructures, and raw materials (Samit, 2006).

**Table 4.10. Economic factors that affect the performance of women entrepreneurs in MSEs**

No	ITEMS	MEAN	STANDARD DEVIATION	RANK SEVERITY
<b>Economic factors</b>				
1	I am satisfied with the financial access given by micro finances and other credit institutions	1.51	1.027	2 <sup>nd</sup>
2	I have better access to the market for my Products	2.02	1.288	8 <sup>th</sup>
3	I have access to different business training	1.65	0.992	3 <sup>rd</sup>
4	I have my premises (land) to run my business	1.49	0.945	1 <sup>ST</sup>
5	I have an access to information to exploit business opportunities	2.48	1.436	9 <sup>th</sup>
6	I have managerial skills	1.97	1.140	7 <sup>th</sup>
7	I have access to the necessary technologies	1.65	1.026	4 <sup>th</sup>
8	There are no stiff competitions in the marketplace that I am engaged in.	1.70	0.957	5 <sup>th</sup>
9	Adequate infrastructures are available	2.53	1.493	10 <sup>th</sup>
10	I have access to necessary inputs(raw materials)	1.74	1.017	6 <sup>th</sup>
	<b>GRAND MEAN</b>	<b>1.70</b>		

It is discussed in table 4.9 above that microfinance are the main suppliers of finance for women entrepreneurs in MSEs. Table 4.10, however, demonstrates that MSE women business owners are dissatisfied with the financial access provided by micro-lending and other lending institutions. A mean score of 1.51 and a standard deviation of 1.027 are displayed. Therefore, the average score of the respondents concerning satisfactory financial access is 'strongly disagree' with few deviations among them. That means the highest respondents were not satisfied with the financial access from microfinance.

As the mean score (2.02) and standard deviation (1.288) in the table above show, the market access of the respondent's entrepreneurs almost disagreed. It means the respondents do have not to access their products. The majority of female company owners in MSEs receive their official training before starting their own companies (See table 4.8). However, as the table above demonstrates, with a mean of 1.65 and a standard deviation of 0.992, the respondents who are women have limited access to various business training programs. This indicates that the majority of respondents opposed receiving different access to their business training. One success factor for an entrepreneur is having own premises such as land (Hisrich, 2005). Table 4.10 above shows that the respondent women entrepreneurs in MSEs do not have the land to run their businesses as shown from the above results mean of 1.49 and 0.945 standard deviations. The mean score of 2.48 and standard deviation of 1.436 shows that the respondents have an access to information for their business opportunities. Concerning their managerial skills in running their business, the respondents were to have their managerial skills. This is justified by the mean score (1.97) and the standard deviation (1.140). Regarding technological access and market competition, the mean scores (1.65 for technology access and 1.70 for market competition) and the standard deviations (1.026 for technology and 0.957 for competition) show that respondents do not agree with better technological access and with the idea that there is no stiff competition for their products. The mean scores (2.53) and standard deviations (1.493) show that the respondent women entrepreneurs in MSEs agree on the availability of the necessary infrastructures around their working areas. So, the largest number of respondents agreed to get adequate infrastructure was available.

Lastly, the scores for the availability of necessary raw material/inputs in the table above show that the respondent entrepreneurs do not agree with their access to these inputs with a mean of 1.74 and a standard deviation of 1.017. So, most of the respondents agreed to get the necessary input (raw materials).

#### Socio-cultural factors

The lack of entrepreneurial culture reflected both in education and the media are a major challenge for the expansion of entrepreneurship among women and girls. These are good indicators of socio-cultural influences on individuals running their businesses. (Desta Solomon 2010). The following table shows the current states that these factors have impacted women entrepreneurs in MSEs.

**Table 4.11: Socio-cultural factors that affect the performance of women entrepreneurs in MSEs**

The mean scores (1.78) and standard deviation (1.052) of the respondents in Table 4.11 shows

N <sup>o</sup>	ITEMS	MEAN	STANDARD DEVIATION	Rank SEVERITY
<b>Social Factors</b>				
1	I have a better social acceptability	1.78	1.052	3 <sup>rd</sup>
2	I have better contacts(networks) with outsiders	1.71	1.078	2 <sup>nd</sup>
3	I have no prejudice or class biases	2.87	1.377	5 <sup>th</sup>
4	The societies attitude towards my products/services is positive	2.90	1.411	6 <sup>th</sup>
5	The attitude of other employees towards my business is positive	3.08	1.382	8 <sup>th</sup>
6	I have a positive relationship with the workforce	2.59	1.513	4 <sup>th</sup>
7	I have no conflicting gender roles	1.68	1.056	1 <sup>st</sup>
8	I am not affected by gender inequalities	2.94	1.560	7 <sup>th</sup>
9	I have no cultural influences	3.40	1.469	10 <sup>th</sup>
10	I never encounter harassment in registering and operating my business	3.31	1.507	9 <sup>th</sup>
<b>GRAND MEAN</b>		<b>2.63</b>		

that women have no better social acceptability. Because most of the respondents were disagree with greater acceptance from society. Similarly, with a mean score of (1.71) and a standard deviation of (0.09), the contact (networks) that female entrepreneurs in MSEs had with outsiders was too low (1.078). However, with a mean of 2.87 and a standard deviation of, they concur that they had no preconceptions or class biases (1.377). In a similar vein, respondents who were women business owners in MSEs preferred to believe that society's attitude toward their goods and services was favorable. On the other side, the table above demonstrates that the respondents have a positive relationship with their employees and that the employees' attitudes toward the firm are also positive. This is in contrast to how other employees feel about their employers' businesses and the relationship that these women business owners have with their staff. The mean scores of 2.90 and 1.411 and standard deviations of 3.08 and 1.382 for the attitude of employees and relationship with employees respectively clearly strengthen this idea.

However, these people reject the notion of competing gender roles. According to the mean scores (1.68) and standard deviations (1.056) in the aforementioned table, the responding women entrepreneurs in MSEs experienced a variety of contradictory gender roles. The table above clearly demonstrates that difficulties with gender disparity, cultural effects, and harassment did not pose substantial issues for female business owners in MSEs. There are no gender differences, according to the respondents, who agree with a mean score of 2.94 and a standard deviation of 1.560. They also concur that harassment issues and cultural factors were negligible. This is supported by the mean scores for cultural influences and harassment, respectively, of 3.40 and 1.469 with deviations of 3.31 and 1.507 each.

#### Legal and administrative factors

It is important to recognize that legal and administrative restrictions are among the many things that impede entrepreneurship. The main governmental and legal aspects that influence how well women entrepreneurs perform in MSEs are summarized in the table below.



**Table 4.12. Legal and administrative factors that affect the performance of women entrepreneurs in MSEs**

NO	ITEMS	MEAN	STANDARD DEVIATION	RANK SEVERITY
	Legal and administrative factors			
1	I have business assistants and supporters from government bodies	2.87	1.412	10th
2	I have a network with different administrative bodies	1.60	0.951	1st
3	I have access to policymakers	1.63	1.661	2nd
4	I have no legal, institutional, or policy constraints	2.51	1.529	7th
5	I can borrow money even without titled assets as a collateral	2.56	1.500	8th
6	The interest rate charged by micro finances and other lending institutions is reasonable	1.66	0.556	4 <sup>th</sup>
7	I have never encountered bureaucracies and red tapes	2.83	1.642	9 <sup>th</sup>
8	I am a beneficiary of government incentives	2.43	1.450	6 <sup>th</sup>
9	I have never faced unfavorable legal and regulatory environments	1.72	0.495	5 <sup>th</sup>
10	the tax levied on my business is reasonable	1.65	0.629	3 <sup>rd</sup>
	<b>GRAND MEAN</b>	<b>2.146</b>		

The responder women entrepreneurs in MSEs have been identified in table 4.12 above as having a business assistant and support from government agencies. The average score (2.87) and standard deviation (1.412) indicate that these business owners concur that they received support and assistance from concerned government authorities. These female business owners, on the other hand, opposed the notion of establishing a network with governmental organizations and access to decision-makers. Their discrepancy is visible in the mean scores and standard deviations. The network with outsiders and access to policymakers have averages of 1.60 and 1.63 and standard deviations of 0.951 and 1.661, respectively. Although no restrictions are imposed by law, institutions, or policy, there are nevertheless agreements among the respondents. They also concur on the notion of borrowing money even in the absence of security. The notions are supported by the median values (2.51) and (2.56) as well as the standard deviations (1.529) and (1.500) for the limitations and collateral concerns, respectively. In contrast, the table demonstrates that the interest rates imposed by lending institutions and the tax imposed on business owners are not justified. The estimated averages for interest and tax amounts, respectively, are 1.66 and 1.65, and the corresponding standard deviations are 0.556 and 0.629, which provide support for the dispute over the reasonableness of the interest rates and tax amount. Additionally, with a mean of (1.72) and a standard deviation of, the respondents "disagree" that the general legal and regulatory environments have no impact on their performance (0.495). With a mean of (2.43) and a standard deviation of, respondents do not want to make decisions about government incentives (1.450). Concerning bureaucracies and red tape, the respondents agree that it affects their performance with a mean of (2.83) and a standard deviation of (1.642).

#### 4.1 Comparison of Factors That Affect Women Entrepreneur's Performance in MSEs

All the economic, social, legal and administrative factors affect the performance of entrepreneurs, but this doesn't necessarily mean that all have an equal impact. The following table compares the overall impact of all the key factors discussed in detail above.

**Table 4.13. Comparison of the major factors affecting women entrepreneurs' Performance**

No	ITEMS	Grand Mean	Grand Standard deviation	Severity Rank
	<b>Factors</b>			
1	Economic Factors	1.70	0.081	1
2	Legal and administrative factors	2.15	0.07	2
3	Scio-cultural factors	2.63	0.12	3

The grand mean (1.70) and grand standard deviation (0.081) in the above table depicts that the economic factors are Sever than the others followed by the legal and administrative factors have a grand mean of (2.15) and a grand standard deviation of (0.07). The table also shows that the impact of the socio-cultural factors is better than the economic, legal, and administrative factors as the grand mean (2.63) and grand standard deviations (0.12) depict. Similarly, the result of the interview with micro & small enterprise heads is the same as the questionnaire. That means the economic factor like marketing, getting finance, and technology infrastructure were not affordable or not easy to get the entrepreneurs.

## 5. Summary of the Major Findings

### 5.1 Summary of the Major Findings on the key factors that affect the performance of women entrepreneurs in MSE.

The World Bank (2005), ILO (2003), Samiti (2006), Tan (2000), and SMIDEC (2004) all examined the issue of how various economic, sociocultural, legal, and administrative variables affect women entrepreneurs in MSEs. Some of the study's findings supported them, while others contradicted them.

- Economic issues such as a lack of own premises (land), financial difficulties, fierce market competition, limited access to training, and a lack of technology and raw materials have a significant impact on how well women entrepreneurs perform in MSEs in Lideta sub-city wereda 10. In contrast to the conclusions of the World Bank, ILO, Samiti, Tan, and SMIDEC, this study discovered that women entrepreneurs in MSEs in the Lideta sub-city wereda 10 did not have an issue with infrastructures. There are various explanations for this. First off, this issue might not be present in the study's location in Lideta sub-city wereda 10 compared to women entrepreneurs in other regions. Second, because the Research was conducted in the past, there might have been some changes since then.
- The main socio-cultural elements that influence women entrepreneurs in the Lideta sub-city wereda 10 include contradictory gender roles, a lack of societal acceptance, and networking with outsiders. However, class biases, gender inequalities, the attitude of employees towards the business, cultural influence, and harassment are not problems of entrepreneurs in the Lideta sub-city wereda 10 in contrast to other researchers' findings. Besides the above justifications, the reasons for such changes may be better access to media, a lifestyle change in the city, and other facilities that may change society's attitude.
- Legal and administrative issues, networking with administrative bodies, access to policymakers, amount of tax and interest rate charged, the tax levied, and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the Lideta sub-city wereda 10. But, issues related to legal, instructional, and policy constraints, assistance and support from government bodies, bureaucracies and red tape, and requests for collateral for borrowing money are not found to be problems for women entrepreneurs in MSEs. Although this is not seen as sufficient, it shows that there are some starts in encouraging female entrepreneurs in MSEs of the major factors that affect the performance of women entrepreneurs in MSEs, the impact of the economic environment is significant even though the influences of social factors are less impact. This implies that the impact of globalization is reflected in women entrepreneurs in MSEs, but the attitude of society towards women entrepreneurs seems to be relatively changed.
- According to the interview conducted with the operator, it was confirmed that a lack of tolerance to work hard and an absence of initiative to assess one's strengths and weaknesses are other factors affecting the performance of SMEs. According to them, this is due to negligence on the part of employees and/or owner managers to develop and implement such a culture of tolerance and assessment of strengths and weaknesses. Amazingly, all of the interviewees confirmed that a lack of persistence and courage to take responsibility for one's failure (low-level risk-taking) is the main entrepreneurial factor that affects the performance of MSEs. Lack of entrepreneurial training was mentioned by operators in the entire study area.
- According to interviewees from micro & small enterprise heads, it featured as a key problem in all sectors. Several interviewee respondents felt that enough entrepreneurship training would better prepare them to perform in their business activities. Furthermore, concerning the lack of information to exploit business opportunities interviews were conducted with operators of MSEs. It was confirmed that the operators do not heighten the ability and awareness for recognizing and boldly exploiting business opportunities. According to them, this is due to a lack of persistently and continually seeking information opportunities. Consequently, the getting of the market for their products is not as needed and they had not their premises and getting different pieces of training and it hampers the performance of MSEs and the fulfillment of competitive urges in general.
- The finding of the study based on the Pearson correlation coefficient reveals that women's entrepreneur performance correlated with all dimensions of the economic factor, socio-cultural factors, legal factors, and administrative factors has a significant and positive relationship with women's entrepreneur performance. Therefore, they have a positively correlated, strong, association among each, and the results of regression analysis observed that economic factors, socio-cultural, legal, and administrative factors have a significant positive effect on women entrepreneurs' performance.

### 5.2 Summary of the Major Findings on the support given to women entrepreneurs in MSEs by technical and vocational training and finance institutes.

- The majority of the women entrepreneurs (60.1% of the respondents acquire the necessary skill for their

business from formal training. Moreover, 10.5% of entrepreneurs acquire their skills from experience. 9.7% are from their family. Only 19.7% of the respondent entrepreneurs acquire the skill from sources other than those stated.

- That the majority of the women entrepreneurs (59.7%) use micro finances as the main source of start-up funding in financing their enterprises. It is also clear that 21.8% of entrepreneurs use personal savings as their main source of start-up funding. The remaining 5.5% and 11.8% were from households and epub respectively as a source of start-up funding in financing their enterprise. The last one, 1.3% of the entrepreneurs finance their business by borrowing from relatives/friends. Women entrepreneurs in MSEs do not use banks and NGOs as a source of financing for their businesses.

### **5.3. Conclusion**

#### **5.3.1 Conclusion on identifying the key factors that affect the performance of women entrepreneurs in MSE.**

Women entrepreneurs in MSEs still contribute to the country's development. MSEs are becoming an important area of emphasis for many developing countries in general and Ethiopia in particular; primarily for their massive potential as a source of employment given that several factors affect their performance. Even though socio-cultural factors are minimized in towns and cities, economic and administrative challenges are still tremendous. This can be associated with the effects of globalization that may create intense competition in the market and poor performances for those entrepreneurs that cannot easily cope with changes.

#### **5.3.2 Conclusion on the support given to women entrepreneurs in MSEs by technical and vocational training and finance institutes.**

For the MSE sector to be energetic and serve as a springboard for the growth of a strong private sector in Ethiopia training centers like technical and vocational training system that supplies a disciplined and quality workforce can be considered as one of the necessary conditions. Whatever is produced in the economy to be competitive, both in the domestic and international markets, depends on the quality of the productive workforce the country has. This requires a vocational and technical education and training system to provide the commercial sector and/or the entire economic system with high-quality labor for the efficient use and production of resources.

From this, it is possible to infer that entrepreneurship training is not given to women entrepreneurs in the Lideta sub-city wereda 10; or even though it is given, it may focus on theoretical concepts than deep-rooted practical training. Or even if it is delivered practically, attention might not be given to women entrepreneurs.

Concerning the finance source Women, entrepreneurs in MSEs do not use banks and NGOs as a source of financing their business. So, from the above data, we can conclude that microfinance is the source of funding for start-up funding in financing in micro and small enterprises.

### **5.4. Recommendations**

Suggestions for corrective and complementary measures to enhance the potential performance of women entrepreneurs in MSEs are essential. Such recommendations demand an in-depth analysis of the influence of different factors regarding the sector. Based on the findings and conclusions of the study, the following recommendations are forwarded.

#### **A. Recommendation on Policy Issues**

- In the long run, for future generations of women entrepreneurs, two of the most important things are, to improve women's access to education, effect changes in the cultural, socio-economic, and environment to agree with their higher status, and ensure more control over economic resources.
- According to the revised small and micro-enterprise policy in 2011, 50% or more of small and micro enterprises should involve women in creating new employment opportunities to improve their living standards. In addition to this especially in world bank criteria,( UIIDPII) 60% of new employment creation in SMEs should be inclusive of women. Then the policy of the government should upgrade from 50% to 60% and introduce the evaluation criteria, monitoring, and control system should be shared experience from the World Bank document.

#### **B. Recommendation on Strategy Issues**

MSEs Strategies are plans that define how MSEs are expected to play a critical role in generating employment, serve as incubators of developmental investors, and the foundation for industrial development. (MSEDPS). (Second Edition March 2012, edit April 2016,) According to the strategy of MSEs the researchers recommend as follows.

- Government bodies should provide affordable alternative sources of finance for women entrepreneurs in MSEs. This can be done by communicating with the banks, and other credit institutions to lessen their requirements. This should be done so that the entrepreneurs in MSEs can get enough access to finance with low interest in their business activities. Moreover, to tackle the different economic, socio-cultural, legal, and

administrative bottlenecks they face, women entrepreneurs should make lobbies together with the concerned government officials by forming deep-rooted entrepreneur associations.

- Women entrepreneurs in MSEs of the Lideta sub-city wereda 10 should share experiences with other entrepreneurs in other sub-cities, weredas of Addis Ababa, and regions or towns so that they can learn a lot from the best practices of those entrepreneurs. In addition, the current situation for finding work or competency is very difficult. Therefore, to tackle these problems entrepreneurs should work very hard. To make women entrepreneurs in MSEs competitive and profitable, increasing the capacity and skill of the entrepreneurs through continuous training, experience sharing from successful enterprises, and provision of advice and consultancy is crucial. Moreover, improved provision of necessary infrastructure and enabling the environment for business operations are generally essential. Uninterrupted power supply and expanding infrastructure are basic to the effective performance of these enterprises.

#### C. Recommendation on Implementation/Technical issue

- Financial institutions should utilize the tendency of women to repay loans more rapidly than their male counterparts and develop loan products customized to women entrepreneurs. Indeed, this characteristic should make women naturally more attractive to loan clients. Coordinate the support available from various actors to achieve maximum impact on enterprises owned by women to make them competitive in both local and international markets.
- Women entrepreneurs in MSEs should have a vision and set goals when developing products in terms of what is to be accomplished, what activities are needed, what products to develop, selection of target markets, responsibilities for which task, what resources are required, and how they will be obtained, etc. (e.g. business plan); Develop training packages for product development and enable women, entrepreneurs, to participate in integrated training programs and encourage self-learning; Promotion of business linkages between women and large companies and provision of training and advisory services like business mentoring, to develop the managerial and marketing skills of women entrepreneurs would also contribute to alleviating internal impediments to the growth of enterprises. Encourage and build the capacity of women entrepreneurs to engage in growth-oriented business activities through business development services.

#### D. Recommendation On Leadership Issues

The leadership in charge of urban local governments should also have a strong desire to lift the unemployed and poor youth and women out of poverty in the shortest possible time. Therefore, concerning the study area, *Leadership Issues* related to Micro and Small Enterprises and related issues should be addressed, and closely monitored. The researcher recommends that leadership should be done to the success of women entrepreneurs and then enhance organizational performance.

- It is essential and significant to make gender-specific allocation of resources to women's entrepreneurship expansion, beyond micro-credit. Pay particular attention to the informal sector, assisting women in this sector to integrate them into the formal sector; Greater gender mainstreaming is needed, including awareness-raising on gender issues, adopting technologies that reduce women's workloads, establishing childcare centers, raising awareness of existing laws, expanding assertiveness training, etc.
- Increase networking from the working-class level to international organizations. Loan officers and market researchers need to conduct an assessment of market-based product development and advisory services should be available to clients.

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