



**St. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**FACTORS AFFECTING THE PERFORMANCE OF WOMEN
ENTREPRENEURS IN MICRO AND SMALL ENTERPRISES
(THE CASE OF YEKA SUB-CITY)**

**BY
WOSEN TADESSE**

**JUNE, 2021
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate studies for examination with my approval as a university advisor.

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June, 2021

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LIST OF ACRONYMS

- AEMFI:** Association of Ethiopian Microfinance Institutions
- ECSA:** Ethiopian Central Statistics Authority
- FDRE:** Federal Democratic Republic of Ethiopia
- FMSEDA:** Federal Micro and Small Enterprises Development Agency
- GEM:** Global Entrepreneurship Monitor
- ILO:** International Labor Organization
- MFI:** Micro Finance Institutions
- MSE:** Micro and Small Enterprise
- NGO:** Non-Governmental Organization
- OECD:** Organization of Economic Corporation and Development
- PRP:** Partial Regression Pilot
- SME:** Small and Medium Enterprise
- SMIDEC:** Small and Medium Industries Development Corporation
- SMMEs:** Small, Micro and Medium enterprises
- SPSS:** Statistical Package for Social Sciences
- SSATECFR:** Sub-Saharan Africa Trade and Economic Cooperation Forum Report
- STE:** Science Tech Entrepreneur
- TVET:** Technical and Vocational Education and Training
- UNECE:** United Nations Economic Commission for Europe
- UNIDO:** United Nations Industrial Development Organization
- WB:** World Bank
- WEs:** Women Entrepreneurs

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ABSTRACT

The main objective of the study is to identify and analyze the factors affecting the Performance of women entrepreneurs in Micro and Small Enterprises in the Case of Yeka Sub-city. The study used both qualitative and quantitative research methods. Questionnaire was used to collect primary data from women entrepreneurs and officials of Job Creation Bureau in Yeka sub-city administration. Both Stratified and purposive sampling technique was used to collect enough and adequate data from the sample. The Statistical Package for Social Sciences (SPSS) version 20 was the method used for data analysis. It can be concluded from the descriptive analysis that except the social factors, all the variables of the study (economic, cultural and entrepreneurial factors) has an effect on the performance of women entrepreneurs in MSEs. The findings of the study imply that the economic, cultural and entrepreneurial factors have significant effect on the performance of women entrepreneurs in MSEs of Yeka sub city. The study recommends that the concerned government and NGOs should create ways to upgrade the economic, cultural and entrepreneurial situations for the women entrepreneurs working in MSEs of the Yeka sub-city. Furthermore, the study also recommends that the concerned bodies should find ways to strengthen the social situations of the women entrepreneurs in MSEs.

Keywords: *Entrepreneurs, Women entrepreneurs, Micro and Small Enterprises, Performance*

CHAPTER ONE

INTRODUCTION

This chapter deals with introductory parts of the research under study. The chapter introduces the background of the study, statement of the problem, research questions and objectives of the study. The chapter also includes significance of the study, scope and delimitation of the study. Finally, the chapter presents organization of the research paper.

1.1. Background of the Study

The dynamic role of micro and small enterprises (MSEs) in developing countries as engines through which the growth objectives of developing countries can be achieved has long been recognized. Small businesses play an important role in the development of a country and serve as a means to sustain and growth economies (Mandawa, B., 2016). In different part of the world they are serving as home of income generation, reduction of unemployment, and innovation. Throughout the world it is acknowledged that micro and small enterprises play a vital role in socio-economic development as a means for generating sustainable employment and incomes (ILO, 2003).

In developing countries, MSEs by virtue of their size, capital investment and their capacity to generate greater employment, have demonstrated their powerful propellant effect for rapid economic growth. The MSE sector has also been instrumental in bringing about economic transition by providing goods and services, which are of adequate quality and are reasonably priced, to a large number of people, and by effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology (ILO, 2008).

Micro and small enterprises employ about 60% of private sector workers, make a major contribution in the field of innovation and support regional development and social cohesion. Also, MSEs in most low income countries give a significant contribution to GDP growth and the creation of new jobs (George, K., 2018).

Ethiopia, as one of the Sub-Saharan developing country has integrated MSEs as strategic tools in the Growth and Transformation Plan (GTP) and forwarded a MSE development strategy to promote the sector. However, the sector confronted several factors that affected its performance to grow and develop to its potentials (Werotew, 2010).

Women owned enterprises are steadily growing in Ethiopia, and they are contributing to household incomes and to the growth of national economies. Despite the growing number of women entrepreneurs (WEs) in Ethiopia and their contribution to the economy and reduction of societal problems, they still own and manage fewer small businesses than men (Assefa, M., & Cheru, E., 2018).

In Ethiopia, the importance of enterprises owned by women entrepreneurs is noticed on different documents like industrial policy, MSE development strategy, and the growth and transformation plans I and II to accelerate growth and reduce poverty (Meressa, 2020). Despite this, both the growth and performance of women-owned MSEs remain a concern, although women entrepreneurship has gained popularity in the country with a growing number of women to start and run their own business (Awoke, 2019).

Moreover, the performance of women-owned MSEs has been persistently influenced by numerous factors; even a significant number of women's interest in business show some escalation in Ethiopia, but their success is still insignificant (Meres, 2018).

Despite the challenges of MSEs, different studies have exposed that enterprises owned by women practice the same challenges as those owned by men; however certain characteristics are typical for many women-owned firms. These characteristics include: small size, limited prospects for profitability and failure to provide collateral for obtaining loans (Coleman, 2002).

According to Admassie and Amha (2008), in Ethiopia more than half of all women business owners often face gender related challenges related to establishing new businesses as well as operating or expanding existing businesses. So that, to take appropriate measures for these problems or challenges, and to increase the participation of women in poverty reduction, knowing the challenges is a prerequisite.

According to Eshetu Zelek, (2008); ILO, (2003); ILO, (2005); Solomon, (2004); Desta, (2010), Wasihun and Paul (2010) the major challenges faced by women business owners are: lack of market access, lack of information access, lack of affordable appropriate technology, lack of opportunities for bulk purchase of inputs, low levels of education, access to finance, access to land for business premises, access to business development services, lack of infrastructural facilities, raw material problem etc. These hinder the participation of women in poverty reduction or force them not to contribute a lot to the poverty reduction of the town, region and the country as a whole.

The above data shows that there was a gap in the area of research that needs to be assessed. Preliminary investigations in the area had also shown that the performance of women entrepreneurs in MSEs of Addis Ababa city in general, in Yeka sub-city in particular has been affected by a number of factors. Therefore, the researcher was motivated to conduct a study to identify the factors that affect the performance of women entrepreneurs in MSEs in Addis Ababa specifically in Yeka Sub City Administration. The researcher believes that the study contributes towards knowledge advancement in the area of study.

1.2. Statement of the Problem

There are internal as well as external factors affecting the performance of MSEs. Although the impact and magnitude of variables on business performance vary from country to country, region to region, and firm to firm, there are many common factors considered as business performance determinants in literature of women entrepreneurs in MSEs (Werotew, 2010).

In Ethiopia, there was scarcity of literature on micro and small enterprises especially on those owned and operated by women entrepreneurs. Moreover, most of the available studies were not conducted with regard to the performance parameter of SMEs.

The studies conducted by Abdissa, G., & Fitwi, T. (2016), Assefa, M., & Cheru, E. (2018), Giday, B. (2017), Solomon, D. (2010) and Tekele, A. A. (2019), has outlined different variables that affect performance of micro and small enterprises. Moreover, Aemiro T. (2019) mentioned that SMEs in Ethiopia have been challenged by a number of obstacles. Among these, the major problems experienced by SMEs were lack of access to finance, working premises (at affordable rent), lack of skills and managerial expertise, infrastructure, information and technology.

It was mentioned on most of the studies that the stated problems have a great impact on the businesses' expansion and effectiveness in its operations. However, most of the research works lack recent data, and did not cover the case in Yeka sub city. Moreover, the studies could not focus on the performance of the enterprises and did not separately done to identify the factors that specifically affected women entrepreneurs in the selected geographical area of the study. Therefore, this research tried to examine the major factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub City of Addis Ababa City Administration and tried to provide suggestions on mechanisms to limit or control the effect of the factors that contribute to the performance of Micro and Small Enterprises.

1.3. Research Questions

This study primarily focused on answering the following basic research questions in order to address the stated problem:

1. What are the major economic factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city?
2. What are the key social factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city?
3. What are the major cultural practices affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city?
4. What are the key entrepreneurial factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city?
5. What was the overall level of performance by MSEs owned by women entrepreneurs in Yeka Sub-city?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of the study was to identify and analyze the factors affecting the Performance of women entrepreneurs in Micro and Small Enterprises in the Case of Yeka Sub-city.

1.4.2. Specific Objectives

The study was guided by the following specific objectives:-

- i. To identify the major economic factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city.
- ii. To investigate the key social factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city.
- iii. To investigate the major cultural practices affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city.
- iv. To identify the key entrepreneurial factors affecting the performance of women entrepreneurs in MSEs in Yeka Sub-city.
- v. To assess the overall level of performance by women entrepreneurs in MSEs in Yeka Sub city.

1.5. Significance of the Study

The study has significance to the existing and potential women entrepreneurs because it would encourage them to embrace new insights and strategies in relation to performance of Micro as well as Small Enterprises and to alleviate the problems that women entrepreneurs face. The research would also help to understand what factors contribute for low performance of MSEs and what improvements shall be made to improve organizational performance. This could be achieved by minimizing, if not possible to avoid, the effects of internal & external factors and if the barriers of women entrepreneurs were solved. Therefore, the research has significance for the women entrepreneurs in MSEs and Job Creation Bureau in Yeka sub-city administration.

The researcher also firmly believes that the study would serve as a base line for other researches in the area and helps the sub-city administration, Micro and Small Enterprises, NGOs having similar intervention areas and universities so as to fill the gap mentioned in this study. Policy makers, government officials and academicians also would also get benefits from the findings of the study, consider revisions of some of the policies, and take actions based on the recommendations.

1.6. Scope of the Study

The performance of women entrepreneurs in MSEs could be affected by many internal as well as external factors. However, the scope of the study was conceptually delimited only to the assessment of effect of economic, social, cultural and entrepreneurial factors. Moreover, in this research, only women entrepreneurs were studied and men entrepreneurs were not within the scope of the study. Geographically, the study was delimited to the geographical area of Yeka Sub-city in Addis Ababa. Hence, other areas of Addis Ababa and cities outside were not considered for this study.

Methodologically, the study employed descriptive and explanatory research designs with quantitative and qualitative approaches. Finally, the data collection time was scheduled between March 2021 and June 2021. Hence, the research was delimited periodically between the aforementioned time intervals.

1.7. Limitations of the Study

The researcher has faced with certain limitations that placed restrictions on research methodology and conclusions. One of the study limitations was the choice of independent variables assuming that the variables were the only ones which were considered to be common to all MSEs in Addis Ababa Yeka sub-city. Hence, the study did not exhaustively consider all the factors affecting women entrepreneurs' performance in MSEs. Some of the independent variables which were not considered for this study were: Infrastructural, Technological, Political, Working premises, and legal factors.

The study has also other limitation in connection with data gathering instruments as the researcher chosen only structured questionnaire and interview. Physical observation and other data collection methods were not considered in the study which might significantly change the current findings and conclusions of this study.

1.8. Organization of the Study

The paper is organized in five chapters. The first chapter includes the background information, statement of the problem, general and specific objectives and significance of the study along with the research questions, scope, limitations and the organization of the research paper. Chapter two introduces review of relevant literature on the research problems under question. Chapter three includes the research design adopted for the research and outlines the methodology for carrying out primary and secondary data collections.

Chapter four includes the findings of the research, the factors affecting the Performance of women entrepreneurs in Micro and Small Enterprises in the case of Yeka Sub-city along with the researcher's analysis and interpretation of the respondents' opinion. Chapter five covers the discussion of summary of the findings, conclusions and recommendations.

CHAPTER-TWO

REVIEW OF RELATED LITERATURE

This chapter reviews the relevant literatures with regard to and focus on both the theoretical as well as empirical literature reviews on the areas of entrepreneurship, women entrepreneurs; women entrepreneurs in MSEs; the problems of entrepreneurship; factors affecting the performance of women entrepreneurs in MSEs and the like.

2.1. Theoretical Literature

2.1.1. Definition of Micro and Small Enterprises (MSEs)

Due to the criteria and ways of categorizing enterprises as micro and small differ from institution to institution and from country to country depending essentially on the country's level of development, there is no single and universally acceptable definition of a small enterprise (Peter, P. W., & Munyithya, H. M., 2015).

Worldwide, there is no common definition of the MSE. Although the Size criteria (number of employees, sales turnover, Asset size total capital investment and the like), and Economic criteria (market share, independence and personalized management) are the two main approaches used to define MSEs (Berri D., 2019).

However, evidence from literature shows that in defining small-scale business, reference is usually made to some quantifiable measures such as: number of people employed by the enterprises, investment outlay, the annual turnover (sales) and the asset value of the enterprise or a combination of these measures (Gemechis, T., 2007).

Nevertheless, there are three approaches to the definition of small sized industry, that is to say (Ibrahim, 2008)

- (a) Quantitative measure, based on such things as employment and capital investment;
- (b) Functional definition on the basis of characteristics; and
- (c) Administrative control which determines the eligibility of business to government patronage and other privileges.

2.1.2. The Roles of MSEs for Economic Development

In all successful economies, MSEs are seen as an essential springboard for growth, job creation and social progress. The small business sector is also seen as an important force to: generate employment and more equitable income distribution; activate competition; exploit niche markets; enhance productivity and technical change and through the combination of all of these measures, to stimulate economic development (Hisrich, R., Langan-Fox, J., and Grant, S., 2007). In Ethiopia, the contribution of Micro and Small Enterprise (MSE) has been significant. According to the Central Statistical Authority (CSA, 2009) survey the contribution of the small-scale establishments to the gross domestic product (GDP) or the national economy during the year 2009 E.F. Y, the small-scale manufacturing establishments' value added was to the tune of 32.5 billion birr. Accordingly, all the small-scale manufacturing establishments, together, created employment opportunity for 2,140,668 people. Furthermore, out of the 2.1 million, 831.5 thousand or 38.85 % were permanent employees (Leszczyński, D., 2016).

Reduction of poverty and unemployment in Ethiopia by supporting and promoting only large-scale industries has frequently unsuccessful instead focusing on small businesses, which require relatively less capital and absorb a significant portion of the labor force, will be the solution. The labor absorptive capacity of the small business sector is high, the average capital cost per job created is usually lower than in big business and its role in technical and other innovation activities is vital for many of the challenges facing the country (Petersen and Carpenter, 2002; ILO, 2004; Freel and Robson, 2004; Ishengoma, 2004; Gebrehiwot and Wolday, 2005).

2.1.3. Women Entrepreneurship

Women Entrepreneurship and Women empowerment are considered as an important tool in eradicating poverty and unemployment. Women's entrepreneurship is now recognized worldwide as leading global trend with significant and growing economy, social and political consequences (OECD, 2012).

The 2012 global entrepreneurship monitor (GEM) confirmed women's activity as entrepreneur in every sector, every country, and in every size and aspiration levels of entrepreneurial firm. Whether we focus on individual, group, network, organization, nation or world, we can see scale and scope in rate and structure of women's participations as entrepreneurs over time.

Women's productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment United Nations Industrial Development Organization (UNIDO, 2001).

2.1.4. Nature of Women Entrepreneurs

Women entrepreneurship is the desire of women or a group of women to start a new business, it makes them innovate, create, design, own, direct, organize, manage, control and effective running of a business enterprise. According to Sujatha Trivikram (2017) Women entrepreneurs are highly motivated and show a strong desire towards self-actualization, it makes them accept risk and willingness to face challenges and uncertainty.

Most of the women entrepreneurs have strong desire to start a business and powerful leadership qualities, which makes them find opportunities around them by analyzing internal strengths and weaknesses and external challenges and risks. These entrepreneurs can predict, accept, analyze and shows the willingness to face challenges, risk, and uncertainty. The unique nature of women entrepreneurs differentiates them from others and from the rest of the world.

New generations knowledge, skills, creativity, perceptions, attitude, positive thinking, self-motivating nature, need for self-actualization and hope towards success make them become strong entrepreneurs by overcoming all the entry barriers such as finance, fear, restrictions, gender variation and mainly family responsibilities (Raheem, F. 2013).

While research shows similarities in the personal demographics of men and women entrepreneurs, there are differences in business and industry choices, financing strategies, growth patterns, and governance structures of female led ventures (Shane S., 2000).

In their desire in starting new businesses, researchers identified a number of reasons for women to become entrepreneurs. The challenges/attractions of entrepreneurship; self-determination/autonomy; family concerns – balancing career and family; lack of career advancement/discrimination; and organizational dynamics-power/politics are reported as main

initiators to become entrepreneurs for women. The report also added the desire to make a social contribution and helping others has been found to be a key factor in women choosing to become business owners (Reta, G., 2000).

2.1.5 Differences between Women and Men Entrepreneurs

Research has found that there are some characteristics that are found in both men and women. There are some distinct differences that do exist between the two. The basic themes are their decision making styles, risk tolerance, goals for the business, financing of the business, management styles, networking ability, motivations.

Contemporary research has shown that there are some differences between men and women when it comes to entrepreneurship. According to Shmailan A (2016) Male and female entrepreneurs may be similar demographically and psychologically. They tend to be married and be the first born child. First born children are more likely to achieve according to a study conducted by Harvard and Columbia universities. Female entrepreneurs tend to pursue degrees in liberal arts rather fields like engineering or more technical disciplines. It is a much more difficult decision for a woman to become an entrepreneur than men. Women are more sensitive to men when it comes to non-financial issues. Both men and women have experience prior to starting a business. They also may have role models and mentors who help them make their decision to become entrepreneurs.

Among these Shane S. (2000) identified that men had more business experience prior to opening the business and higher expectations; women entrepreneurs had a larger average household size; the educational backgrounds of male and female entrepreneurs were similar; women were less likely than men to purchase their business; women were more likely to have positive revenues; men were more likely to own an employer firm; female owners were more likely to prefer low risk/return businesses; men spent slightly more time on their new ventures than women; male owners were more likely to start a business to make money, had higher expectations for their business, and did more research to identify business opportunities; male entrepreneurs were more likely to found technologically intensive businesses, businesses that lose their competitive advantage more quickly, and businesses that have a less geographically localized customer base;

male owners spent more effort searching for business opportunities and this held up when other factors were controlled for.

As shown in the table below, Malaya M.F (2006) tried to distinguish male and female entrepreneurs with respect to their success indicators arranged in a sequential order from very important to least important.

Table 2.1: Male vs. female entrepreneurs

Male	Female
Generating revenues/profits	Generating revenues/profits
Providing quality product /service to customers	Providing quality product /service to customers
Being able to balance work/ family Responsibilities	Providing employment to People
Having a regular source of livelihood	Being able to balance work/ family responsibilities
Improving quality of life of employees	Improving quality of life of Employees
Being able to continue operation of business	Being able to continue operation of business
Expanding business	Having a regular source of Livelihood
Providing employment to people	Being able to utilize my talents/skills
Gaining financial independence	Taking advantage of business opportunities
Providing adequate family support	Gaining financial Independence

Source: Malaya M, F. (2006).

2.1.6 Women Entrepreneurs Development in MSEs: Difficulties and Problems

According to Singh and Belwal (2008), Ethiopian Women owned MSEs faced challenges that can be described as lack of capital, limited access to markets, to network, to premise, lack of training and cultural oppressions. In a survey conducted by FDRE Ministry of Urban Development and Construction (2013) MSEs in Addis Ababa, especially those led by women, were challenged by lack access to finance, premises and training.

In Ethiopia women owned enterprises are challenged by bad price for the product and service/selling at less price compared with other similar enterprises, shortage of raw material and lack of experience in own business were challenging factors for women entrepreneurs” (Zelalem, A. (2005).

According to Zelalem, A. (2005) unfair practices, unattractive market, lack of advertisement and market linkage were identified as market challenges of MSEs in Diredawa city administration. On the other hand, another study in Ethiopia conducted by Hagos Yared (2013) revealed that high competition as a result of open entry to the business affected newly born MSEs.

The FDRE (Federal Democratic Republic of Ethiopia) also identified potential challenges faced by MSEs as those related to finance supply , production and sales cluster development , industrial extension service, human resource development , technological development and growth , market and marketing system , one-center service, a lack of detailed understanding of the MSE development package and work commitments.

2.1.7 Women Entrepreneurs in MSEs

Women are highly important contributors to the country’s economic and social development. Over the years women participation in the economy has increased rapidly and they constitute almost half of the total population. Since 1990, women’s participation in the MSEs business has increased extremely.

As the global market place continues to develop women entrepreneurs in MSEs provide an effective tool for economic growth through participation in global supply chains (World Bank, 2005).

Women in Ethiopia are benefited from MSE strategy due to favorable conditions created by the government, (self-employment sector) Various types of women traders associations are in existence to create synergy: - Ethiopian Women Entrepreneurs Association, Ethiopian Women Exporters Association, Alliance of Women Entrepreneurs Program, Center for acceleration Women Economic Empowerment (Trade and Gender in the Services Sector of Ethiopia report, 2016).

According to the Revised Definition of Micro Enterprises in Ethiopia Industrial sector (includes manufacturing, construction, and mining sub-sectors). A business enterprise which employs equal or less than five labor force including business owner and family labor and /or the monetary value of the enterprise's total asset is equal or less than Br.100,000 (FDRE MSEs Development, Support Scheme and Implementation Strategies, 2011). whereas ,Service sector (includes retail trade, transport, hotel and tourism, information technology and repairs). A business enterprise which employs equal or less than five labor force including business owner and family labor and/or the monetary value of the enterprise's total asset is equal or less than Br.50,000 (FDRE MSEs Development, Support Scheme and Implementation Strategies, 2011).

On the other hand, The Revised Definition of Small Enterprises in Ethiopia Industrial sector ,they should employ 6-30 labor force including business owner and family labor and /or the monetary value of the enterprise's total asset from Br.100,001-1,500,000 (FDRE MSEs Development, Support Scheme and Implementation Strategies, 2011). Whereas Service sector have to employ 6-30 labor force including business owner and family labor and /or the monetary value of the enterprise's total asset from Br.50,001-500,000 (FDRE MSEs Development, Support Scheme and Implementation Strategies, 2011).

2.1.8 Women Entrepreneurs in MSEs In Ethiopia

Participation of women entrepreneurs in small business enterprises is very encouraging in some African countries. The participation of women entrepreneurs in MSE sector in Kenya is lower (47.7 per cent) than that of Ethiopia, however there have been indications of their dominance in leather and textile, retail, entertainment and other manufacturing sectors.

Small- scale enterprises constitute the bulk of the private sector in Ethiopia. These small scale enterprises have a great capacity to alleviate unemployment and to contribute to the economic

growth of the country (Andualem, 2003). Ethiopia is one of the developing countries where the small scale enterprises are estimated to employ 1.5 million people. Out of these 1.5 million people that participate in small scale enterprises the proportion of women is high as smallscale enterprises are an important source of livelihood for women in Ethiopia (Reta, 2000).

In studying the participation of women in smallscale enterprises, the survey conducted by the CSA in 2004 covering 48 towns indicated that 65 per cent of the informal sector activities are owned and run by women.

Furthermore, ILO (2003) found that lack of suitable location or sales outlet; stiff competition; low purchasing power of the local population; lack of marketing knowhow; seasonal nature of the business ;lack of market information ;inadequate infrastructure ;shortage of time (due to multiple tasks) ;shortage of raw materials and Shortage of working capital are constraints of women entrepreneurs in Ethiopia.

According to a study conducted by ILO (2008) in Ethiopia, the United Republic of Tanzania and Zambia identified that, women entrepreneurs do not have the same access to networks as men; women entrepreneurs have difficulties accessing premises due to, among other things, a lack of property and inheritance rights; women's lack of access to titled assets that can be offered as collateral for loans adversely affects the growth of their enterprises; women entrepreneurs lack access to formal finance and rely on loans from family and community; women entrepreneurs tend to be grouped in particular sectors, particularly food processing and textiles; business development service providers do not give adequate time or effort to target women entrepreneurs – they do not offer flexible arrangements in respect of the timing and location of service delivery; Women often experience harassment in registering and operating their enterprises.

The credit delivery modality of all the MFIs is group-based (group guarantee), thereby waiving the usual requirement for collateral in fixed asset form. However the loan ceiling of the MFIs has been set to Birr 5,000 (USAD 584), which is very small for some growth-oriented microenterprises. Furthermore the group-based credit delivery modality does not fit the requirements of MSEs that want to take individual loans based on particular business needs, either as working capital or as a medium-term investment loan (AEMFI, 2002).

2.1.9 Factors Affecting the Performance of Women Entrepreneurs in MSEs

This section presents the factors that might affect women entrepreneurs' performance in MSEs from the economic, social, cultural, and entrepreneurial point of view.

2.1.9.1 Economic Factors

According to Mulugeta (2010) economic factors include competition in the market; lack of access to the market, lack of access to raw material, lack of capital or finance, lack of marketing knowledge; lack of production/ storage space; poor infrastructure; inadequate power supply and lack of business training (Mulugeta, 2010).

Women who want to expand their business often have insufficient financial resources to buy inputs in bulk so as to minimize their costs. Others have argued that women are likely to operate in low risk and low technology industries such as petty trading. The gender division of labor and the gender stereotypes tend to push women into low status and low income business activities (Welsh, D. H. B., Kaciak, E., & Shamah, R., 2017).

The market access include the location of the women entrepreneurs in MSEs locate their business. The location made easily available for buyers. Women also face challenges in negotiation and contract of acquiring premises (Desta, S., 2010).

Women have limited access to vocational and technical training in all corners of the world. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on strong foundation of basic primary and secondary education. Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on small scale, and are generally not member of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive (Welsh, D. H. B., Kaciak, E., & Shamah, R., 2017).

Accessing credit, particularity for starting an enterprise, is one of the major constraints faced by women's entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household asset as

collateral and negative perceptions of female entrepreneurs by loan officers (Meressa, H.A, 2000).

Women often lack access to training experience in on how to participate in market place and are therefore unable to market goods and services strategically. Thus, women-owned MSEs are often unable to take both the production and marketing of their goods. In addition, they have often not been exposed to the international market and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationship in a new country or market is a big deterrent and obstacle for many MSEs in particular women-owned business. Women may also fear or face prejudice or sexual harassment and may be restricted in their ability to travel to make contacts (Welsh, D. H. B., Kaciak, E., & Shamah, R., 2017).

Even when a woman does venture into these networks, her task is often difficult because most networks activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of network also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegation, due to the combined invisibility of women dominated sectors or sub sectors and of women individuals within any given sector (Meressa, H.A., 2000).

According to Desta (2010), training programmers' have the following weaknesses: they do not take into account the needs of women and are often generic and not tailored to their needs; the training is not flexible in terms of the delivery schedule, location and language to accommodate the specific challenges that women entrepreneurs face as mothers and careers; training sessions are one-off events and the fact that many of the trainers are men is a major barrier for women entrepreneurs (because women prefer women trainers and husbands do not like women to be trained by men trainers); there is very limited outreach of training, especially training in the work place. Most training is delivered in a workshop setting (Schorling A., 2006).

The difference in business performance results from differences in human capital. The formal education systems tend to have biases against women, and this leads to gender differences in human capital leading to differences in managerial and technical skills. In addition literature

suggests that the more skills and experience entrepreneurs bring into the enterprise the more successful the business enterprise (Welsh, D. H. B., Kaciak, E., & Shamah, R., 2017).

Furthermore Berii, D. (2019) added that the key factors that constraints women entrepreneurs' performance in developing countries: vulnerability of women to adverse effects of trade reform; restraints with regard to assets (land); lack of information to exploit opportunities; and Poor mobilization of women entrepreneurs; lack of management skills; lack of awareness among young women of entrepreneurship as a career option; conflicting gender roles; gender inequality inappropriate technology; and constraints at the legal, institutional and policy levels. In addition human capital, personal characteristics, family characteristics and business characteristics also affect the performance of women entrepreneurs.

Lack of adequate capital, sufficient loan, and inefficient financial market in terms of facilitating financial resources to entrepreneurs are the major obstacles in doing business particularly in the informal sector. Most micro and small enterprises are highly risky ventures involving excessive administrative costs and lack the experience in dealing with financial institutions and do not have a track record of credit worthiness with banks. Since most banking institutions are reluctant to provide small enterprises with loan and credits, most MSEs are unable to secure collateral requirements. As a result of absence in financing, the creation of new enterprises and the growth and survival of existing ones will be impeded (Panda, S. 2018).

Access to finance is a major bottleneck for the rapid growth and development of MSEs mainly due to targeted mechanism put in place to address the financial needs of small scale enterprises. Most micro and small enterprises do not have access to micro finance institutions and most banks are reluctant to avail credit facility to small enterprises unless they have acceptable collateral. The standard of loan appraisal, the long delay the banks take to sanction loans, unfavorable disposition towards small loans and the limited collateral requirement, which is over 100% of the loan amount, are the major obstacles that small scale enterprises are facing (Mulugeta, 2010).

The availability of other informal sources of finance, however, affects growth positively and significantly. This shows that in the absence of formal source of credit, informal networks appear more appealing for MSEs (Welsh, D. H. B., Kaciak, E., & Shamah, R., 2017).

2.1.9.2 Social Factors

On the other hand, the social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force (Mulugeta, 2010).

For a long time only the reproductive role has been emphasized for women as home makers compared to the productive role which has been dominated by men. This shows that society gives less attention for the women and also there is discrimination (Schorling A., 2006).

The other socio factor is the little access to education of women. Under education of women perpetuates their limited capacity for growing their business beyond the informal micro enterprise sector. As a result, the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Mulugeta, 2010).

2.1.9.3 Cultural Factors

Women in developing countries are disproportionately responsible for domestic work, such as housekeeping and childrearing, and as such, they are unable to invest as much time and effort into a business as could a male member of their household (Berri D., 2019).

A recent study in Bangladesh found that female beneficiaries of microcredit frequently allow male household members to use the loans for entrepreneurial endeavors rather than starting a micro-enterprise of their own due to domestic responsibilities being valued over entrepreneurship (Desta, S. 2010).

Limited access to capital significantly restricts women's entrepreneurial opportunities. This is due to women being excluded from basic financial access, findings from PEP-supported studies in Cameroon, Nigeria, and Senegal tell a more complex story (Panda, S. 2018).

The study in Nigeria found that micro and small enterprises have restricted access to credit. While this is not in itself discriminatory, almost all female entrepreneurs have micro or small enterprises with medium and large enterprises being owned and managed almost exclusively by men. Similarly, the study in Senegal found that female ownership of a business does not affect its

access to credit, meaning that there is no significant gender discrimination in acquiring financial services for business. However, the researchers did observe gender discrimination regarding senior roles in business. To be appointed to a managerial position, and thus have the responsibility of applying for financial services, women need a higher level of education than men (Meressa, H.A, 2020).

Being an underlying factor rooted in culture and often reinforced by formal institutions, such as religious bodies, this problem is particularly difficult to address. There is an urgent need to work with youth to prevent discriminatory norms being transmitted to the next generation. Providing education to both men and women through gender role conversations and challenging attitudes relating to what is “men’s” or “women’s” work is essential for long-term change (Schorling A., 2006).

2.1.9.4 Entrepreneurial Factors

Women tend to perceive themselves and the entrepreneurial environment in a less favorable light than men and thus Programs aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up (Desta S., 2010).

According to Panda S., (2018), the growth of a firm is, to a certain extent, a matter of decisions made by individual operators. This is very much pronounced for microenterprises that are run by owner managers. Previous studies indicate that motivation, individual competencies and personal background are important factors for the success of micro and small enterprises.

Most of the macro based studies have tended to assume entrepreneurs with similar experiences and demographic characteristics. However, none of these factors alone can create a new venture or drive success (Schorling A., 2006).

2.1.10 Overview and Measurement of MSE’s Performance

In various literatures, profit is considered as the best fitted measure of MSEs’ performance and mostly used in MSEs’ performance literature globally (Meechaiwong, Somjai, Pol, & Girdwicha, 2019; Mozumdar et al., 2020; Shakeel et al., 2020; Welsh et al., 2017).

However, Empirical studies also provide different variables for the performance of women entrepreneurs. Among these, total asset, sales growth, employment size, profit, market share, and customer base are mostly known (Doris, 2016). These measures depend upon the ease of availability of the data and good judgment of the researcher.

2.2 Empirical Review

This section presents the review of empirical literature via reviewing the works of different scholars, researchers, and practitioners on determinants of women entrepreneurs' performance.

A research conducted by Shakeel et al. (2020) and Muogbo and John-Akamelu (2019) argued that previous experience equips owner and/or managers with the knowledge and skills required to identify and exploit opportunities, assess market trends, and intuitively make decisions pertaining to customer needs as well as competitors' moves. This is to mean that previous entrepreneurial experience and firm performance have a positive relationship, that is, as the age of an individual firm increases, the firm profitability also increases (Mandawa, 2016). On the other hand, Carranza et al. (2018) found that longer previous entrepreneurial experience has a positive impact on business performance.

A research conducted by Doris (2016) indicated that availability of land is very important for the success and sustainable growth of entrepreneurs because it creates access to resource and the necessary markets. Land in which MSEs are to display and sell their products is also the major problem affecting the performance of MSEs. In connection with this, Abdissa and Fitwi (2016), micro and small-scale enterprises having enough own working premises (land) grow more than those enterprises which have no working premises and selling outlets. The issue of land provision and the land lease system has con-strained the chance of micro and small enterprises' success (Carranza et al., 2018). The research conducted by Hasan and Almubarak (2016) also reported that land ownership has significant influence on women entrepreneurs' performance.

According to Wambu K. (2014) study finding the major economic factors affecting women small and medium entrepreneurs are limited financial access, as a result of high interest rates on loans as well as demand of collateral security by financial institutions. Financial support from family as well as personal savings was not adequate to support women small and medium enterprises. According to the researcher, the major cultural factors affecting the respondent women small and

medium entrepreneurs' in Mombasa central business district were conflicting gender roles, social acceptability and view of women in the society, where they are seen as more of housewives, this is changing with time.

Umi Abdulkadir (2018) conducted a research entitled: "External Factors Affecting the Performance of Women Entrepreneurs in Jimma Town". The study found that inadequate training and consultancy services, poor business management skills, low infrastructure facilities, high interest rate and lack of transparency by the formal financial institutions were some of the weaknesses that affect the performances of women entrepreneur. The major constraints identified were limited access and high cost of improved inputs, weak linkage with GO and NGO's inadequate warehouse and show room facility, low infrastructural facility, insufficient loan, weak traditions of documentation, poor monitoring and supervision and high bureaucracy and rent seeking from government officials. Furthermore, it is found that the result indicates that economic and social factors that affect the success of women entrepreneurs.

A research was also conducted by Endalew Terefe Alene (2020) on the determinants that influence the performance of women entrepreneurs in micro and small enterprises in Ethiopia. This study provides new empirical evidence on determinants that influence women entrepreneurs' performance based on the data acquired from 180 women entrepreneurs in Gondar city, Northwest Ethiopia, using regression analysis. Consequently, the result of regression output revealed statistically significant evidence of eight explanatory variables out of 12 variables in determining women entrepreneurs' performance in MSEs at 5% significance level. Therefore, educational level, previous entrepreneurial experience, access to business training, access to finance, access to information, access to government support, tax, and land ownership were significant in one hand. But age, marital status, access to market, and physical infrastructure are found to be insignificant variables. Accordingly, the regression output indicated that enterprises owned and managed by women entrepreneurs with higher formal education experience higher performance in terms of profit than their counterparts. In addition, women entrepreneurs with secured land ownership as a working premise have a chance to maximize profit than their counterparts. In the other context, the finding revealed that women entrepreneurs perform better in their businesses when they have financial accessibility than other financially con-strained enterprises. Moreover, the study finding also revealed that women

entrepreneurs perform better in their business when they access business training to develop the relevant skills and knowledge needed to increase business performance. Similarly, women entrepreneurs in MSEs having access to business information grow faster than their counterparts because using business information can improve and strengthen customer relationships, enhance firm image, enhance market linkage, and enable them to compete with other firms. With regard to previous entrepreneurial experience, as the experience of an individual firm increases, the firm profitability also increases. Furthermore, the finding revealed that women-owned enterprises that have access to government support packages such as devising policies and legal infrastructure, technology, incentives, and giving social recognition have performed better than their counterparts. In addition, the regression output revealed that women-owned enterprises paying lower taxes are able to increase their performance for a longer period of time than those that pay higher taxes.

According to Mulugeta Chane (2010), women entrepreneurs in MSEs are affected by a number of economic, social/cultures and legal/administrative factors. According to his research findings, the performance of women entrepreneurs in MSEs in Dessie town are highly affected by economic factors such as lack of own premises (land), financial problems, stiff competition in the market, inadequate access to trainings, lack of technology and raw material. With regard to socio-cultural conditions, conflicting gender roles, lack of social acceptability and network with outsiders are the severe factors that affect women entrepreneurs in Dessie. However, class biases, gender inequalities, attitude of employees towards the business and harassments are other problems of entrepreneurs in the town. According to the author, the majority of women entrepreneurs (50%) used only their personal savings as sources of financing their ventures. Besides from the respondents under study of those, (31%) needed financing from relatives or friends/money lenders as well as Micro-finance institutions for launching their business. Only (4%) used other sources, such as bank loans.

Rahel W. and Issac Paul (2010), in their study conducted four kebeles of Nifas Silk-Lafto and Kirkos sub-cities of Addis Ababa, found out that the studied enterprises registered 25% increment in the number of total employment they created since their establishment with an average annual employment rate of 11.72%. With regard to the sources of initial capital of the studied enterprises, the study indicated that, the main ones were loan from microfinance

institution (66.7%), personal savings/Iqub (17.5%), and loan from family/friends (17.1%). Moreover, the concrete problems that the targeted MSEs faced at their startup were lack of capital (52.8%), skills problem (17.9%) and lack of working space (17.1%). Moreover, Daniel (2007), identified that lack of raw material, stiff competition and shortage of working capital.

According to Gemechu Abdissa and Teklemariam Fitwi (2016), most of the MSEs operators have no efficient experience and management knowhow to perform their activities effectively and efficiently. These lead to them unsuccessful because they run their business activities without having adequate knowledge about the business environment. Lack of managerial know-how places significant constraints on MSE development. The result of the finding shows that majority of MSEs operators in the study area does not have enough working premises. Because of this, the MSEs operators are not perform their business related activities effectively and efficiently. And also, the location of the working premises is not suitable for attracting the new customers that means, the working premises have no access to market. According to the research, the major social factors that affect the respondent women entrepreneurs are networking society, attitude towards local products besides, positive relationship with the workforce, gender inequality, attitude of employees to the business, and conflicting gender roles are among the serious problems that affect the performance of women entrepreneurs.

A study conducted by Eshetu and Zeleke (2008) conducted a longitudinal study to assess the impact of influential factors that affect the long-term survival and viability of small enterprises by using a random sample of 500 enterprises from 5 major cities in Ethiopia. According to this research, that lasted from 1996-2001, the factors that affect the long term survival of the small enterprises in Ethiopia are found to be adequacy of finance, level of education, level of managerial skills, level of technical skills, and ability to convert part of their profit to investment. This is so because the findings of the study revealed that businesses that failed, during the study period were characterized by inadequate finance (61%), low level of education (55%), poor managerial skills (54%), shortage of technical skills (49%), and inability to convert part of their profit to investment (46%). The study further indicated that participation in social capital and networking schemes such as Iqub was critically helpful for long-term survival of the enterprises. According to the study, businesses that did not participate in Iqub schemes regularly were found to be 3.25 times more likely to fail in comparison with businesses that did.

On the other hand, studies conducted in connection to women entrepreneurs' performance have applied both multiple linear regression and binary logistic regression models. For example, Carranza et al., (2018); Doris (2016), and Shakeel et al. (2020) used multiple linear regression model in their studies. However, Mandawa et al., (2016) and Wambu K., et al. (2014) used binary logistic regression in their studies. Therefore, this showed that both logistic and multiple regressions could be used in MSEs' performance related studies. On the one side, multiple linear regressions could be chosen if the performance measure used as the dependent variable takes a continuous measure. On the other hand, binary logistic regression model could be used if the performance measure used as the dependent variable takes a discrete (categorical) measure. Accordingly, this study applied binary logistic regression (logit) model since enterprises' performance was considered as a discrete (categorical) variable. On the other hand, different literatures claimed that the following assumption of logistic regression model/logit model needs to be tested. To this effect, contingency coefficient for dummy/discrete independent variables was computed to check the presence of multi collinearity problem among them. By definition, contingency coefficient is a measure of the degree of relationship/association of dependence among categorical/dummy in-dependent variables included in the study. As a decision rule, a contingency coefficient greater than 1 indicates the presence of multi collinearity among dummy independent variables. In this study, twelve dummy independent variables were included and their contingency coefficients were measured using SPSS.

2.3 Conceptual Framework

The study was guided by the following conceptual framework which was used to explain the relationship between the independent variable: Performance of women entrepreneurs in MSEs and dependent variable: factors affecting the performance of women entrepreneurs i.e. Economic factors, Social factors, Cultural factors and Entrepreneurial factors.

After reviewing the theoretical and empirical literature discussed earlier, the researcher developed the following conceptual frame work:

Figure 2.1 Conceptual Framework of the Study

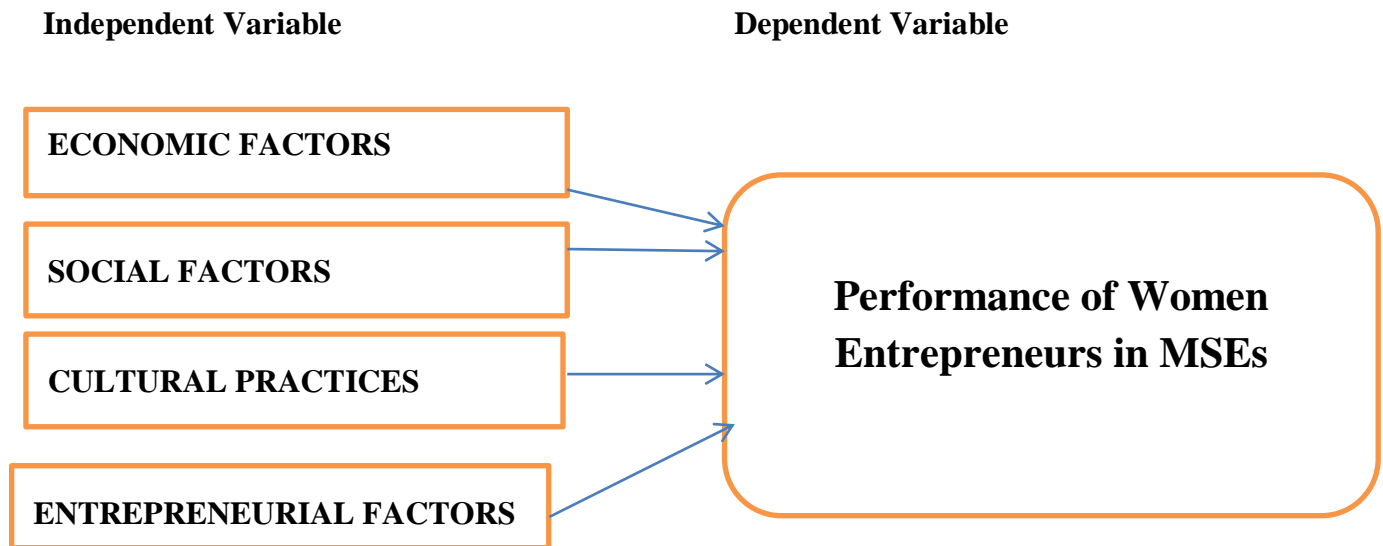


Figure 2.1 (Conceptual Framework; as developed by the Researcher, 2021)

The above diagram shows that women entrepreneurs' performance is a function of social, economic, entrepreneurial and cultural factors.

2.3.1 Variables of the Framework

i) Dependent Variable:

The dependent variable in this study was performance of women entrepreneurs in Micro and Small Enterprises. For this study, profitability was chosen to measure performance of women entrepreneurs in MSEs. According to Doris, et al. (2016), empirical studies provided different variables for the performance of women entrepreneurs. Among these, total asset, sales growth, employment size, profit, market share, and customer base are mostly known. These measures depend upon the ease of availability of the data and good judgment of the researcher. However, Shakeel et al., (2020); Mandawa et al., (2016); Wambu K. et al., (2014) and Carranza et al., (2018) stated that profit was mostly used in MSEs' performance literature globally. Consequently, this study considered profit as best fitted measure of women entrepreneurs' performance in MSEs.

ii) Independent Variables:

Economic Factors

Under this category, the variables considered for this study were: capital or source of finance; business leadership and management; financial access; access to inputs/raw materials, access to the market, production/storage space; and access to market information (Mulugeta, 2010).

Social Factors

The variables considered under the social factors include: attitude of other employees; number of contacts; social acceptability; attitude towards business and; prejudice and class biases (Mulugeta, 2010).

Cultural Factors

These factors include variables such as: society's attitude given to women, existence of harmful traditional practices; convenience of living situation and working culture; money saving culture; society's attitude towards gender discrimination; community's attitude towards women entrepreneurs; religious and language influences (Schorling A., 2006).

Entrepreneurial Factors

The variables included under entrepreneurial factors are: exploitation of business opportunities; access to professional training; adaptability to new ideas; creativity and flexibility; and readiness to learn, improve and change (Schorling A., 2006).

2.4 Research Hypotheses

The following hypotheses were formulated for the study:

Hypotheses

H0: There is no significant relationship between economic, social, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs.

H1: There is significant relationship between economic, social, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research design and approaches used; population, sample size, and sampling techniques; sources of data; data gathering instruments; and procedures of data collection. The chapter also presents pilot testing; method of data analysis and ethical considerations for the study.

3.1 Research Design and Approaches

The research designs employed under this study were both descriptive and explanatory. Descriptive research design was chosen by the researcher because “the main purpose of descriptive research design is to describe the state of affairs as they exist” (Kothari CR., et al, 2004). In this context, the state of affairs indicates the major economic, social, cultural and entrepreneurial factors that affect the performance of women entrepreneurs in MSEs in Yeka sub-city of Addis Ababa. On the other hand, explanatory research design was chosen because of the fact that “it is used to explain the casual relationship between independent variables and the dependent variable (Kothari CR., et al, 2004). Hence, by using explanatory research design the research was able to explain the casual relationship between the independent variables (economic factors, social factors, cultural factors, and entrepreneurial factors) and the dependent variable (performance of women entrepreneurs in MSEs).

According to Kothari CR., et al (2004), “There are two basic approaches to research: quantitative approach and the qualitative approach”. The researcher used both quantitative and qualitative research approaches because the quantitative research approach is appropriate due to the fact that “it usually involves collecting and converting data into numerical form so that statistical calculations could be made and conclusions drawn”. On the other hand, qualitative approach is appropriate to “analyze qualitative data collected using data gathering instruments and also used to generate quantitative data on the issues under investigation” (Cresswell et al., 2009). Moreover, Creswell et al. (2009) stated that mixing qualitative and quantitative approaches gives the potential to cover each method’s weaknesses with strengths from the other method.

3.2. Population, Sample Size and Sampling Techniques

3.2.1. Research Population

According to Addis Ababa City Administration MSEs report (2019), there are about 1894 women entrepreneurs in Yeka sub city of Addis Ababa. The target population for the study was totally women owned enterprises; head of urban job opportunity creation and food security office and experts.

Therefore, the target population for the study consists of 1,894 women entrepreneurs who have been working in the five (5) sectors of MSEs in Yeka sub-city, as shown

No.	Sector	Numbers of Enterprises (Population)
1	Service	566
2	Manufacturing	482
3	Construction	164
4	Trade	534
5	Urban agriculture	143
	Total	1,894

Source: (Addis Ababa City Administration MSEs Report, 2019)

3.2.2. Sample Size

Based on Yemane (1967:886) sample size determination formula, the researcher convinced that it was better to determine the sample size of the study at 95% confidence level and 0.05 level of precision as follows:

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

Where n: is number of respondents

N: is total population

E: sampling error/level of precision

The total sample size of respondents based on the above sample size determination formula was 330.

For selecting these samples of entrepreneurs, proportionate stratified sampling used in which the 5 key sectors or focused areas that woman entrepreneurs are engaging to take as strata so as to

give equal chance to each of the sectors. For MSE heads of Job Creation Bureau, purposive sampling was used and among the top officials of these institutions three (3) officials was purposively taken for an interview. The reason for selecting this method was due to the fact that the officers know the condition better than others.

Table 3.1: Women Entrepreneurs in SMEs – Sample Size Determination

No.	Sector	Numbers of Enterprises (Population)	Women owned (Sample)
1	Service	566	99
2	Manufacturing	482	84
3	Construction	164	29
4	Trade	534	93
5	Urban agriculture	143	25
	Total	1,894	330

Source: (Addis Ababa City Administration MSEs Report, 2019)

3.2.3 Sampling Techniques

Both Stratified and purposive sampling technique used to collect enough and adequate data from the sample. Stratified sampling technique was used to assist in minimizing bias when dealing with the population. With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Creswell et al. (2009), this step increases the probability that the final sample is representative in terms of the stratified groups. Hence, the sampling frame was organized into relatively homogeneous groups (strata) before selecting elements from the sample. Finally, the samples were selected based on the proportion of population data.

3.3 Sources of Data

The researcher used both primary and secondary data sources for the study. Primary data was collected with a structured questionnaires prepared for women entrepreneurs in MSEs from the five (5) sectors. In addition, interview was also used as additional primary sources of data to get information from experts and head of Urban Job Opportunity Creation and Food Security Office.

Secondary data from variety of books, published and/or unpublished government documents, websites, reports and newsletter were used to provide additional information.

3.4 Data Gathering Instruments

The researcher used questionnaire and interview as instruments for gathering data. Structured questionnaire was used to collect social, economic, cultural and entrepreneurial variables on the performance of women entrepreneurs using a Likert scale. The Likert scale was divided into five categories: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree for different statements that might show the knowledge, feelings, or practice components of the respondents.

Basically, the instruments were developed based on the objectives of the study and research questions. The questionnaire was prepared in simple and clear language by avoiding the use of too long statements and use of appropriate punctuations. The instruments were also designed in the way that can strengthen the viability of the study. Interview was also used as an Instrument for data gathering for the study. The experts of the concerned government body, Urban Job Opportunity Creation and Food Security Office of Yeka sub-city Administration, was interviewed so as to get relevant data in the area of the study.

Secondary data was also collected by reviewing various websites, reports, books, published and/or unpublished government documents.

3.5 Procedures of Data Collection

Firstly, the questionnaires were designed in English and then translated to Amharic language as this could make the tool simple for respondents to understand. Then, stratified random sampling technique was used to draw a sample the first unit from each orderly arranged stratum was selected with the help of simple random number. Then after, every 11th element in the strata was automatically selected. Since the sample size of each stratum was proportionally computed, their sampling interval was equal. One owner manager was taken to represent each sample firm of each stratum to respond the questionnaire. Structured interview was also conducted with selected experts of Urban Job Opportunity Creation and Food Security Office of Yeka sub-city Administration, to triangulate the survey result collected through the structured questionnaires.

The following process was strictly followed by the researcher to collect the data required for this study.

- Data gathering instruments was questionnaires and interview check lists.
- The questionnaire developed was pilot tested on to 25 women entrepreneurs check clarity.
- Correction was made based on the feedback obtained from the pilot test session.
- The amended questionnaire was delivered by hand to the respondents at their duty stations during working hours and collected by the researcher.
- Interview session was conducted with the experts of Urban Job Opportunity Creation and Food Security Office and the information obtained was compiled accordingly.

Pilot Testing

The researcher used Cronbach's alpha coefficient to test the reliability and validity of the collected data through questionnaire as it is one of the common methods to do so. According to Joseph, G. and Rosemary, G. (2003), reliability is an attribute of an instrument used to measure consistency which indicates that an instrument has constructive value it used to measure. For describing internal consistency, a commonly accepted rule of thumb is using Cronbach's alpha as depicted on table 3.3 below. Accordingly, the Cronbach's alpha coefficient for this study through gathering data from a pilot testing of 20 randomly selected respondents was 0.905. This implies that the Cronbach's alpha was greater than 0.9 justifying that the survey instrument was excellent in terms of internal consistency. On the other hand, validity of the research is concerned with meaningfulness of research component (Joseph, G. and Rosemary, G., 2003). The researcher has assured the validity of the research since the structured questionnaire has appropriate questions when designed.

Table 3.2: Cronbach's alpha coefficient (α) for pilot testing:

Cronbach's alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Reliability Statistics for Pilot Testing

Cronbach's Alpha	N of Items
0.905	32

3.7 Method of Data Analysis

The Statistical Package for Social Science (SPSS) version 20 was used to analyze the collected data. The respondents' scores were summarized from the package and made ready for analysis. After that, it was analyzed using descriptive statistical techniques, descriptive narrations and regression analysis. The demographic profiles and items related to characteristics of women entrepreneurs were analyzed using simple statistical tools such as tables and percentages.

Further analyses of processed data using statistical tools were employed to study patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis.

3.7.1 Descriptive Analysis

In order to describe the demographic profile, characteristics of women entrepreneurs in MSEs and their enterprise, economic factors, social factors, cultural factors and entrepreneurial factors, descriptive statistics such as frequency and percentages were used.

3.7.2 Inferential Analysis

Inferential statistics allows inferring from the data through analysis of the relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. In order to manage that Chi square test and logistics regression were used. (Berii, D. et al., 2010).

Model specification

Multiple linear regression models were used to analyze and interpret data collected through quantitative method.

The researcher specified the model for multiple linear regressions; given n observations, as follows:

$$Y = \beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + \beta_3 x_{i3} + \beta_4 x_{i4} + \epsilon$$

(Where, Y is dependent variable; B is coefficient; $X1$ =economic factor, $X2$ = social factor, $X3$ = cultural factor and $X4$ =entrepreneurial factor and ϵ = is error term)

3.8 Ethical Considerations

The participants were assured that they have right to participate or withdraw at any time from the study. In addition, informed consent was obtained from the participants before they are enrolled in to the study. The consent form was written in English stating the study's objectives, nature of participant's involvement, risk and benefits, and confidentiality of the data. Respondents then were requested to read the consent form carefully and by doing so they would be given clear options on voluntary participation. It was also made clear that they could refuse to answer any questions and terminate it whenever they desire and fill to do so. Confidentiality of information was ensured by removing personal identifiers from the survey questionnaires. Respondents thus were also protected against any possible adverse consequences from participating in the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretations of the collected data. The first section of the chapter presents response rate. The second section deals with demographic characteristics of the respondents whereas the third section of the chapter presents analysis of the collected data. At the end of the chapter, discussion of the results and implications of the findings were presented in detail.

4.1 Response Rate

Table 4.1: Determination of the Response Rate

Sector in MSEs	Questionnaires Distributed	Questionnaires (Filled & Returned)	Response Rate (in %)
Service	99	94	95
Manufacturing	84	79	94
Construction	29	25	86
Trade	93	88	95
Urban agriculture	25	21	84
Total	330	307	93

Source: Own Survey, 2021

A total of 330 questionnaires were prepared and distributed to 330 sampled respondents from various sectors of women owned MSEs. However only 307 questionnaires were properly filled and returned which makes the response rate 93%. Therefore, the researcher believed that it was possible to summarize, analyze and conclude based on the collected data as there was high response rate for the study.

4.2 Demographic Profile of Respondents

The demographic characteristics of the respondents were derived from the questionnaire which includes questions related to the personal profiles of respondents such as: age, educational background; marital status, sector of involvement in MSEs, source of finance to run their enterprise, professional training participation and how they involved in the trainings. Demographic profile of respondents is included in this chapter because it has its own implication

on the responses provided by the sampled respondents. Therefore, demographic characteristics of the respondents are summarized in a table 4.2 below.

Table 4.2: Demographics Variables of Respondents

No.	Item Description	Measurement	Freq. (Count)	Percentage (%)
1	Age	18-25	55	17.97%
		26-35	156	50.78%
		36-45	70	22.66%
		46-55	22	7.03%
		56 and above	5	1.56%
		Total	307	100
2	Educational Background	Grades 1-4	14	4.69%
		Grades 5-8	36	11.72%
		High School	103	33.59%
		Diploma	91	29.69%
		First Degree	62	20.31%
		Masters' Degree		-
		PhD		-
Total	307	100		
3	Marital Status	Single	82	26.56%
		Married	173	56.25%
		Divorced	34	10.94%
		Widowed	19	6.25%
		Total	307	100
4	Sector of Involvement	Construction	24	7.81%
		Services	91	29.69%
		Manufacturing	79	25.78%
		Urban Agriculture	26	8.59%
		Trade	86	28.13%
		Total	307	100
5	Whether they took Professional Trainings	Yes	199	64.84%
		No	108	35.16%
		Total	307	100
6	How did they get Professional Trainings	Government	173	86.75%
		Own	26	13.25%
		Total	199	100

Source: Own survey, 2021

Table 4.2, Item-1 shows that out of 330 respondents 50.78% fall under the age 26-35 followed by 22.66% within the age group of 36-45, then 17.97% within the age group of 18-25, 7.03% within the age group of 46-55, and 1.56% above the age of 56 years. This implies that majority of the respondents were within the younger age group which could be taken as an advantage of the SMEs if managed well.

In the Table 4.2 above, Item-2 indicates that 33.59% of sampled respondents were high school complete, 29.69% were diploma holders, 20.31% were first degree holders, 11.72% were in the range of grades 5 to 8, and 4.69% of the respondents were within the grade range of 1 to 4. There were no respondents who are PhD holders. Based on the data provided, it could be inferred that majority of the respondents were well educated.

Table 4.2 Item-3 shows that 56.25% of the respondents were married, 26.56% were single, 10.94% were divorced, and 6.25% of the sampled respondents were widowed. This implies that majority of the sampled respondents were living with their soul mates which might help them to be successful in their business undertakings in SMEs.

Item-4 of Table 4.2 was about the sector in which the sampled respondents are being involved. Based on the data, majority of the respondents which accounts for 29.69% were in service sector, 28.13% in trade, 25.78% in manufacturing, 8.59% in urban manufacturing, and 7.81% of the respondents were in construction sector. This indicates that there are many female entrepreneurs in the services, trade, and manufacturing sectors.

Item-5 of the above Table 4.2 indicates that 64.84% of the sampled respondents have taken professional training, whereas 35.16% have not taken training related to SMEs. This implies that the entrepreneurs were capable to run their businesses efficiently and effectively.

In the above table 4.2 Item-6, 86.75% of the respondents who took training related to SMEs have attended the trainings with the support of government. On the other hand, 13.25% of the trained respondents have got the training with their own effort. This shows that the respondents were eager to learn and capacitate themselves with trainings which will have a positive impact on the successfulness of their businesses.

4.3 Analysis of Collected Data

This section presents analysis of the collected data that shows the results of descriptive and inferential statistics. In order to assess the objectives of the study, correlation and regression analysis were also performed.

4.3.1 Descriptive Analysis

In this section, the results of descriptive statistics were presented. For the purpose of assessing the objectives of the study, factors that affect the performance of women entrepreneurs (economic, social, cultural and entrepreneurial factors) and women entrepreneurs' performance measure were analyzed using descriptive statistics.

4.3.1.1 Factors Affecting the Performance of Women Entrepreneurs in MSEs

i) Economic Factors

Descriptive statistics (percentages) were used in order to analyze the response of women entrepreneurs in MSEs with regard to the economic factors identified for this study. The economic variables selected for this study were: capital or source of finance; business leadership and management; financial access; access to inputs/raw materials, access to the market, access to market; production/storage space; and access to market information.

Table 4.3: Economic Factors Affecting the Performance of Women Entrepreneurs in MSEs

Items - Economic Variables	Responses by Sampled Women Entrepreneurs (Frequency & Percentage)					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I got source of funding from my family to start this business	Freq.	39.91	92.1	18.42	138.15	18.42
	%	13	30	6	45	6
I have many years of experience in business leadership and management	Freq.	107.45	76.75	0	82.89	39.91
	%	35	25	0	27	13
I am satisfied with the financial access given by government and other micro finance institutions.	Freq.	82.89	150.43	3.07	58.33	12.28
	%	27	49	1	19	4
There is no shortage of inputs (raw materials) to run my business	Freq.	52.19	39.91	0	214.9	0
	%	17	13	0	70	0
I have access to market the products of my business enterprise	Freq.	92.1	104.38	24.56	49.12	36.84
	%	30	34	8	16	12
I am running my business in my own premises (Land)	Freq.	70.61	174.99	0	46.05	15.35
	%	23	57	0	15	5
There is good opportunity to get information related to business	Freq.	46.05	61.4	33.77	95.17	70.61
	%	15	20	11	31	23

Sources: Researcher's Own Survey, 2021

As shown on the Table 4.3 above, 51% of women entrepreneurs agreed with question regarding source of funding from family to start their business. On the other hand, about 64% of women entrepreneurs agreed with the opinion that there is good opportunity to get information related to business. The table also shows that 60% of the respondents disagreed with question regarding years of experience in business leadership and management. 76% of respondents expressed their disagreement to the idea that they are satisfied with the financial access given by government and other micro finance institutions. 70% of the respondents were agreed with the opinion that there was no shortage of inputs (raw materials) to run their businesses. Furthermore 64% and

80% of women entrepreneurs responded negatively that they have access to market the products of their business enterprise and they were running their businesses in own premises (Land). This implies that economic factors affected the performance of women entrepreneurs in MSEs.

The interview responses provided by the Head & experts of Urban Job Creation Opportunity Office of Yeka Sub-city Administration also shows that “majority of the enterprises didn’t have their own work place, they repeatedly encountered a problem regarding access to market, they have reported shortage of raw materials and finance sources”.

Therefore, economic factors were significantly affecting women entrepreneur performance in MSEs, Yeka sub-city of Addis Ababa.

ii) Social Factors

For this study, the researcher identified social factors with its variables such as: attitude of other employees; number of contacts; social acceptability; attitude towards business and; prejudice and class biases.

In order to analyze the response of women entrepreneurs, the effect of these factors was analyzed using descriptive statistics (percentages) in the table below.

Table 4.4: Social Factors Affecting Women Entrepreneurs’ Performance in MSEs

Items - Social Variables	Responses by Sampled Women Entrepreneurs (Frequency & Percentage)					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
There is positive attitude from the society in relation to my products/services	Freq.	58.33	36.84	9.21	125.87	76.75
	%	19	12	3	41	25
I have many contacts with various customers and business men	Freq.	113.59	76.75	0	61.4	55.26
	%	37	25	0	20	18
I am socially acceptable	Freq.	42.98	52.19	15.35	153.5	42.98
	%	14	17	5	50	14
My employees have positive attitude towards my business	Freq.	67.54	49.12	6.14	132.01	52.19
	%	22	16	2	43	17
I have no prejudice or class biases	Freq.	61.4	73.68	0	107.45	64.47
	%	20	24	0	35	21

Source: Own survey, 2021

The above Table 4.4 shows that 66%, 64%, 60%, and 56% of the respondents agreed with the questions that there is positive attitude from the society in relation to products/services, I am socially acceptable, my employees have positive attitude towards my business, and I have no prejudice or class biases respectively. Whereas, 62% of women entrepreneurs disagreed that they have many contacts with various customers and business men. This implies that social factors did not significantly affect women entrepreneurs' performance in MSEs.

The interview responses provided by the Head & experts of Urban Job Creation Opportunity Office of Yeka Sub-city Administration also shows that "majority of the enterprises didn't have their own work place, they repeatedly encountered a problem regarding access to market, they have reported shortage of raw materials and finance sources".

The descriptive results of the study shows that it can be concluded social factors do not have significantly affect the performance of women entrepreneurs in MSEs in the study area.

iii) Cultural Factors

The researcher identified cultural variables such as: society's attitude given to women, existence of harmful traditional practices; convenience of living situation and working culture; money saving culture; society's attitude towards gender discrimination; community's attitude towards women entrepreneurs; religious and language influences. The effect of these variables on the performance of women entrepreneurs was analyzed using descriptive statistics (percentages) as shown in the table below.

Table 4.5: Cultural Factors Affecting Women Entrepreneurs' Performance in MSEs

Items - Cultural Variables	Responses by Sampled Women Entrepreneurs (Frequency & Percentage)					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The society's attitude given to women affected my business	Freq.	9.21	85.96	39.91	107.45	64.47
	%	3	28	13	35	21
My business is affected by high existence of different harmful traditional practices	Freq.	67.54	46.05	3.07	159.64	30.7
	%	22	15	1	52	10
The inconvenient living situation and working culture affected my business	Freq.	58.33	30.7	21.49	132.01	64.47
	%	19	10	7	43	21
I do not have a money saving culture and my business is really affected by this	Freq.	49.12	125.87	15.35	61.4	55.26
	%	16	41	5	20	18
My business is affected by gender discrimination in the society	Freq.	36.84	55.26	0	156.57	58.33
	%	12	18	0	51	19
The community's attitude towards women entrepreneurs is bad which in turn affected my business activity	Freq.	55.26	61.4	9.21	141.22	39.91
	%	18	20	3	46	13
My business is challenged by religion	Freq.	76.75	132.01	6.14	73.68	18.42
	%	25	43	2	24	6
Lack of other languages affected my business enterprise	Freq.	89.03	39.91	0	89.03	89.03
	%	29	13	0	29	29

Source: Own survey, 2021

As indicated on Table 4.5 above, 56% of the respondents disagreed with the statement that the society's attitude given to women affected their business. On the other hand 62%, 64%, 70%, 59% and 58% of women entrepreneurs were disagreed with the idea that their business was affected by high existence of different harmful traditional practices; the inconvenient living situation and working culture affected their business; their business was affected by gender discrimination in the society; the community's attitude towards women entrepreneurs was bad which in turn affected their business activity; lack of other languages affected their business enterprise respectively. However, 57% and 68% of the respondents agreed with the idea that their business was affected because they do not have money saving culture and their business was challenged by religion. This implies that cultural factors significantly affected the performance of women entrepreneurs in MSEs.

The interview responses provided by the Head & experts of Urban Job Creation Opportunity Office of Yeka Sub-city Administration also shows that "majority of the enterprises didn't have

their own work place, they repeatedly encountered a problem regarding access to market, they have reported shortage of raw materials and finance sources”.

From the descriptive results, it can be concluded that cultural factors significantly affect the performance of women entrepreneurs in MSEs in the study area.

iv) Entrepreneurial Factors

The entrepreneurial factors identified for this study are: exploitation of business opportunities; access to professional training; adaptability to new ideas; creativity and flexibility; and readiness to learn, improve and change.

As shown in the table below, descriptive statistics (percentages) were used for analysis of the variables and its effect on the performance of women entrepreneurs.

Table 4.6: Entrepreneurial Factors Affecting Women Entrepreneurs’ Performance in MSEs

Items - Entrepreneurial Variables	Responses by Sampled Women Entrepreneurs (Frequency & Percentage)					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Lack of information to exploit business opportunities affected my business	Freq.	79.82	119.73	9.21	92.1	6.14
	%	26	39	3	30	2
My business is affected by lack of professional training on Micro and Small Enterprises	Freq.	33.77	36.84	0	141.22	95.17
	%	11	12	0	46	31
Lack of adaptability to new ideas affected my business activity	Freq.	61.4	46.05	18.42	128.94	52.19
	%	20	15	6	42	17
Lack of creativity and flexibility affected my business	Freq.	70.61	55.26	0	113.59	67.54
	%	23	18	0	37	22
My business affected by lack of readiness to learn, improve and change	Freq.	58.33	70.61	12.28	156.57	9.21
	%	19	23	4	51	3

Source: Own survey, 2021

Table 4.6 above shows that, 77% of the respondents agreed with the idea that their business was affected by lack of professional training on Micro and Small Enterprises. In addition, 59%, 69% and 54% of women entrepreneurs were agreed with the questions indicating that lack of adaptability to new ideas affected their business activity; lack of creativity and flexibility affected their business; their business affected by lack of readiness to learn, improve and change

respectively. However, 65% of the respondents replied that they disagreed with the idea that lack of information to exploit business opportunities affected their business. This implies that entrepreneurial factors significantly affected women entrepreneurial performance in MSEs.

The interview responses provided by the Head & experts of Urban Job Creation Opportunity Office of Yeka Sub-city Administration also shows that “majority of the enterprises didn’t have their own work place, they repeatedly encountered a problem regarding access to market, they have reported shortage of raw materials and finance sources”.

The result indicates that entrepreneurial factors were severely influencing the performance of women entrepreneurs. Hence, attention should be given by the concerning governmental as well as non-governmental bodies.

4.3.1.2 Measurement of Performance of Women Entrepreneurs in MSEs

On this study the researcher measured the performance of women entrepreneur by perceived profit. By their nature entrepreneurs are unwilling to tell their profit quantitatively so the researcher asked different question using five point Likert scale to understand their current performance.

Table 4.7: Performance of Women Entrepreneurs in MSEs

Items – Performance of Women Entrepreneurs	Responses by Sampled Women Entrepreneurs (in percentage)				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Growth in terms of Sales/Revenue	19	12	5	38	26
Growth in terms of Market Share	13	14	8	42	23
Growth in terms of Profit	1	18	6	46	29
Product Quality	34	26	10	18	12
Growth in numbers of employees	10	15	7	33	35
Customer satisfaction	29	37	11	21	2
New product development	23	17	3	40	17

Source: Own survey, 2021

As shown on the above Table 4.7, 64 % of women entrepreneurs were disagreed with the statement that they have got growth in terms of sales/revenue. Similarly, 65%, 75%, 68% and 57% of women entrepreneurs were disagreed with the idea that they have got growth in terms of

market share, growth in terms of profit, growth in number of employees and new product development. On the other hand, 60 % and 66% of respondents were agreed with the statements that product quality and customer satisfaction was increased.

The results have implication that women entrepreneurs were not getting relatively attractive profit from their business.

4.3.2 Inferential Analysis

4.3.2.1 Correlation Analysis

Under this sub-section, the chi-square test for independent and dependent variables was tested. This test depicts the type of relationship that exists in between variables. Hence, the existence of any association in between the aforementioned variables was tested by making use of Pearson chi-square test of association. To see the strength of the association between the variables, phi is being used. Phi provides statistical significance and also provides information about the strength of association between two categorical variables and can be used as the measure of the effect size, which is similar with correlation tests for continuous variable (George et al., 2004).

Table 4.8: Test Result of Chi-square

Factors		Performance	Pearson χ^2 value	Phi	P Value at 95% CI
Economic factors	Disagree	283	7.924	0.157	0.005
	Agree	24			
Social factors	Disagree	30	2.179	0.161	0.469
	Agree	277			
Cultural factors	Disagree	284	8.014	0.082	0.005
	Agree	23			
Entrepreneurial factors	Disagree	278	7.649	0.146	0.005
	Agree	29			
Total		307			

Source: Own survey, 2021

As shown on the above Table 4.8, the association held in between independent and dependent variables. Accordingly, there was significant relationship in between economic factors and performance of women entrepreneurs in MSEs. ($\chi^2 = 7.924$, $df = 1$, $N = 307$, $P < 0.005$, which shows that there exist good economic factors that could enhance the performance of women entrepreneurs in MSEs. Similarly, the result of Phi indicates the strength of the association between the two variables, is 0.157 and, hence there was significant effect between the two variables.

On the other hand, the result shows that social factors had no significant effect on the performance of women entrepreneurs in MSEs because the result shows $\chi^2 = 2.179$, $df = 1$, $N = 307$, $P < 0.469$. Similarly, Phi was 0.161 showing no significant association between the two variables.

The table 4.8 also shows that there was association between independent and the dependent variables. Hence, there was significant relationship in between cultural factors and performance of women entrepreneurs in MSEs as $\chi^2 = 8.014$, $df = 1$, $N = 307$, $P < 0.005$. Likewise, the result of Phi shows the strength of the association between the two variables, is 0.082 and, there was significant effect between the two variables.

On the other hand, the table also shows that association was held in between independent and dependent variables. As $\chi^2 = 7.649$, $df = 1$, $N = 307$, $P < 0.005$, the association between the two variables was significant. The result of Phi also indicates the strength of the association between the two variables, is 0.146 which shows that entrepreneurial variables have significant effect on the performance of women entrepreneurs in SMEs.

4.3.2.2 Regression Analysis

This section presents regression analysis of the collected data in order to determine the extent to which the explanatory variables explain the variance in the explained variable. The following table shows the results of regression analysis.

Table 4.9: Regression Analysis of the Variables using Multiple Regressions

<i>Model summary</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Standard Error of the Estimate</i>		<i>Sig.</i>
	<i>.669^a</i>	<i>.512</i>	<i>.605</i>	<i>.669</i>		<i>.000</i>
<i>coefficients</i>	<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	
	<i>Variables</i>	<i>B</i>	<i>Standard Error</i>	<i>Beta</i>		<i>Sig.</i>
	<i>Constant</i>	<i>-.181</i>	<i>.325</i>		<i>-.512</i>	<i>.605</i>
	<i>Economic factor (X1)</i>	<i>.186</i>	<i>.082</i>	<i>.150</i>	<i>1.284</i>	<i>.000</i>
	<i>Cultural factor (X3)</i>	<i>.276</i>	<i>.068</i>	<i>.385</i>	<i>3.608</i>	<i>.034</i>
	<i>Entrepreneurial factor (X4)</i>	<i>.328</i>	<i>.105</i>	<i>.396</i>	<i>4.524</i>	<i>.000</i>

****P< .01 and *P< .05**

Source: Own Survey, 2021

As shown on the Table 4.9 above, estimates of the multiple regression of performance against its variables for the samples of 307 women entrepreneurs in SMEs are presented. The table revealed that, the correlation between the observed value of performance and the optimal linear combination of the independent variables was 0.669; this value indicates a good level of prediction. Given the R Square value of 0.512 and adjusted R square value of 0.605, it may be realized that 51% of the variation in performance can be explained by the independent variables. The remaining 49 % of the variance was explained by other variables not included in this study.

The unstandardized coefficients B column, gives us the coefficients of the independent variables in the regression equation including all the predictor variables as indicated below: Predicted performance score = $-.181 + .186$ (economic) + $.264$ (social) + $.276$ (cultural) + $.328$ (entrepreneurial).

Table 4.9 above further shows that all the explanatory variables included in this study can significantly explain at 99% confidence level to the variation on the dependent variable. The standardized beta coefficient column shows the contribution that an individual variable makes to the model. The beta weight is the average amount the dependent variable increases when the independent variable increases by one standard deviation (all other independent variables

remains constant). Therefore, the largest influence on the performance of women entrepreneurs in MSEs was from the entrepreneurial factor (0.328) and the next is cultural factor (0.276).

The ANOVA result

To present the regression model significance, the ANOVA statistics was used. A high value of F statistic shows that there is a significant positive relationship with the dependent variable (performance of women entrepreneurs) and independent variables (economic, cultural and entrepreneurial factors).

As F-significance value of $p = 0.000$ was also established showing that there is a probability of close to 0% of the regression model presenting a false information. This has an implication that the variation explained by the model was not by chance and the overall model was significant.

The interview result also shows that the performance of women entrepreneurs in MSEs in Yeka Sub-city administration was highly affected by economic, cultural and entrepreneurial factors.

Hypothesis Testing

Hypothesis 1

H0: There is no significant relationship between economic, social, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs.

Based on the research findings, this hypothesis was tested to be true for social factors as there was no significant relationship between social factors and performance of women entrepreneurs in MSEs.

H1: There is significant relationship between economic, social, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs.

Based on the findings of the study, this hypothesis was tested to be true for economic, cultural and entrepreneurial factors. This is because of the fact that there was significant relationship between economic, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents findings of the study, conclusions and recommendations. The conclusions part was made based on the research objectives of the study. Based on the findings of the study recommendations are also forwarded to the women entrepreneurs in MSEs, concerned government bodies, and other stakeholders.

5.1 Summary of Major Findings

The objective of the study was to identify the factors affecting the performance of women entrepreneurs in MSEs in Yeka sub-city of Addis Ababa. To analyze the collected data, Statistical Package for Social Science (SPSS) version 20 was used for suitable data processing ability of packages. Descriptive analysis (percentage and frequency) were also used to convert raw data to information. Based on the response obtained from 307 respondents and concerned officials, the major findings of this study are summarized as follows.

Based on 307 respondents and interview results acquired from the concerned experts, the major findings of this study are summarized as follows.

The results of descriptive analysis show that the economic, cultural, and entrepreneurial factors have significant effect on the performance of women entrepreneurs in MSEs of Yeka sub-city. However, the social factors did not have a significant effect on the performance of women entrepreneurs in MSEs.

The ANOVA result shows that there is statistically significant relationship between factors affecting women entrepreneurs and their performance in MSEs.

The result of inferential statistics i.e. correlation shows that, there is a positive relationship between factors affecting the performance women entrepreneurs (economic factors, cultural factors and entrepreneurial factors) with the performance of women entrepreneurs in MSEs. The result of multiple linear regression analysis also revealed that the factors such as economic, cultural and entrepreneurial factors have significant effect on the performance of women entrepreneurs in MSEs of Yeka sub city. However, the findings of both correlation and

regression analysis revealed that social factors did not have a significant effect on women entrepreneurs' performance in MSEs in Yeka sub-city.

5.2 Conclusion

The researcher concluded from the descriptive and inferential analyses findings that the overall performance of women entrepreneurs in MSEs of Yeka sub city was not good because of the significant effects of economic, cultural and entrepreneurial factors. However, the finding of the study revealed that social factors have relatively more positive influence on the performance of women entrepreneurs in the MSEs. Therefore, it can be concluded from the descriptive analysis that except the social factors, three of the variables in the study (economic, cultural and entrepreneurial factors) had significant effect on the performance of women entrepreneurs in MSEs. However, women entrepreneurs' performance was not significantly affected by social factors.

Taking in to account the research hypothesis, it can be concluded that the results of inferential statistics i.e correlation and regression analysis that there is significant relationship between economic, cultural and entrepreneurial factors and performance of women entrepreneurs in MSEs in Yeka sub-city of Addis Ababa. It can be concluded therefore that the findings of the study imply that economic, cultural and entrepreneurial factors have significant effect on the performance of women entrepreneurs in MSEs of Yeka sub city.

5.3 Recommendations

In this section, recommendations are made for the identified problems of the study conclusions.

- This study found that there is a considerable variation in the economic, cultural and entrepreneurial situations of the women entrepreneurs in MSEs. Thus, the concerned government and NGOs has to create ways to upgrade the economic, cultural and entrepreneurial situations for the women entrepreneurs working in MSEs of the Yeka sub-city.
- To get loan in micro finance institution one of the requirement is women should be organized in groups or forced to deposit 20% of the startup capital for the purpose of acquiring finance. Therefore, microfinance institution should change the practice of group lending system since members in a group cannot have the same commitment and

capacity to run their business. Hence the institution should allow to get loan on individual base. Micro finance should also minimize the interest rates to enhance women entrepreneurs in MSEs business. In addition, credit service to be reviewed in order for them to be accessible to small enterprises with limited capacity.

- Government should provide working place, facilitate access to market, promote and create business linkage with customers to enhance women entrepreneur networking to sell their product/service, increase competitive and profitability through continuous training on effective business planning, business leadership, working culture and experience sharing from successful entrepreneurs etc.
- There are limited experts in the MSEs sector which leads to limited out reach. Hence, the government should expand the service through qualified human resource to address the problems of women entrepreneur.
- The study has found that the social variables of the study have positive effect on the performance of women entrepreneurs in MSEs. Therefore, concerned bodies should find ways to strengthen the social situations of the women entrepreneurs in MSEs.
- The negative attitude of the society can be changed through improving women's access to education, awareness raising on gender issues and harmful traditional practice, awareness raising of the existing laws and provide assertiveness training to the community

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APPENDICES

**ST. MARY’S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF BUSINESS**

Appendix 1: Structured Questionnaire for Women Entrepreneurs in MSEs

Dear participant,

This questionnaire is designed to investigate the “Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises in the Case of Yeka Sub-City. The study is to be conducted in partial fulfillment of the requirements of Masters of Business Administration. Please answer all questions. The information obtained through the questionnaire will be treated as confidential and will only be used strictly for academic purposes.

Your participation will be highly appreciated.

Thank you in advance for all your cooperation and kind consideration.

Best regards,

Wosen Tadesse

Directions: -

- *Make only a tick mark (✓) on the space provided to show your answer.*
- *Please don't write your name in this questionnaire.*

PART I - Basic Personal Data

1. Age (in Years)

- A. 18 – 25 [] B. 26 – 35 [] C. 36 – 45 [] D. 46 – 55 [] E. 56 and above

2. Educational Background

- A. Grades 1 to 4 [] B. Grades 5 to 8 [] C. High School []
D. Diploma [] E. First Degree [] F. Masters Degree [] E. PhD []

3. Marital Status

- A. Single [] B. Married []
C. Divorced [] D. Widowed []

4. In which one of the following sectors you are working in?

- A. Construction B. Services C. Manufacturing D. Urban Agriculture E. Trade

5. What was the source of finance for your business?

- A) Own saving B) Family Gift C) Loan D) Government Support E) Other _____

6. Have you taken professional training in related to MSEs? A) Yes B) No

7. If your answer is “Yes” for Question No. 4 above, how did you attend the training?

- A) By the support of Government body B) By my own

PART II: Please indicate your response regarding **Factors Affecting Women Entrepreneurs’ Performance in MSEs**

Please indicate your level of agreement on the items listed below.

The scale is underscored as follows:

- Strongly agree=5 Agree =4 Neutral =3 Disagree = 2 Strongly Disagree =1

No	ITEMS	5	4	3	2	1
	Economic Factors					
1	I got source of funding from my family to start this business					
2	I have many years of experience in business leadership and management					
3	I am satisfied with the financial access given by government and other micro finance institutions.					
4	There is no shortage of inputs (raw materials) to run my business					
5	I have access to market the products of my business enterprise					
6	I am running my business in my own premises (Land)					
7	There is good opportunity to get information related to business					
	Social Factors					
1	There is positive attitude from the society in relation to my products/services					
2	I have many contacts with various customers and business men					
3	I am socially acceptable					
4	My employees have positive attitude towards my business					
5	I have no prejudice or class biases					
	Cultural Factors					
1	The society's attitude given to women affected my business					
2	My business is affected by high existence of different harmful traditional practices					
3	The inconvenient living situation and working culture affected my business					
4	I do not have a money saving culture and my business is really affected by this					
5	My business is affected by gender discrimination in the society					
6	The community's attitude towards women entrepreneurs is bad which in turn affected my business activity					
7	My business is challenged by religion					
8	Lack of other languages affected my business enterprise					
	Entrepreneurial Factors					
1	Lack of information to exploit business opportunities affected my business					
2	My business is affected by lack of professional training on Micro and Small Enterprises					
3	Lack of adaptability to new ideas affected my business activity					
4	Lack of creativity and flexibility affected my business					
5	My business affected by lack of readiness to learn, improve and change					

Part III) Please indicate your response regarding Performance of Women Entrepreneurs in MSEs

Please indicate your level of agreement on the items listed below.

The scale is underscored as follows:

Very Good=5 Good =4 Fair =3 Poor = 2 Very Poor =1

No	ITEMS	5	4	3	2	1
1	Growth in terms of Sales/Revenue					
2	Growth in terms of Market Share					
3	Growth in terms of Profit					
4	Product Quality					
5	Growth in numbers of employees					
6	Customer satisfaction					
7	New product development					

Appendix II: Interview Questions to Head & Experts of Urban Job Creation Opportunity Office of Yeka Sub-city Administration.

1. Please explain the problems you faced during monitoring and follow up of MSEs in relation to:

A) Economic factors

B) Social factors

C) Cultural factors

D) Entrepreneurial factors

2. How do you explain the cooperation and collaborations with other government organs such as TVETs and Micro Finance Institutions?

3. In what special way you support women entrepreneur in MSEs in Yeka sub-city?

4. Have you faced with other challenges in this regard, please explain it briefly?

5. Can you please explain what measures you took in order to give a solution to the problems and challenges faced by women entrepreneurs in MSEs?

Thank you so much!!