

Factors Affecting the Performance of Women Entrepreneurs in MSEs in the case of Kolfe Keranyo Sub-city, Addis Ababa, Ethiopia

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Abstract

This study was designed to assess the major factors affecting the performance of women entrepreneurs in MSEs. A sample of 340 women entrepreneurs engaged in 5 sectors were taken for the study using proportionate stratified sampling procedure. Data were analyzed using the ordinary least square multiple regression method. The results of the study indicated that personal characteristics of women entrepreneurs in MSEs and their enterprise affect their performance. It also showed that lack of owned premises (land) to run their business, lack of access to finance, inadequate access to business training, stiff competition in the market, lack of access to technology and lack of access to raw materials were economic-related factors that affected the performance of women entrepreneurs in MSEs. The study also found that conflicting gender roles or household responsibilities, network with outsiders and social acceptability were the major social-related factors that affected their performances. The Agency supporting MSE should give diligent attention to the correlates of performance of MSEs.

Keywords: Performance, entrepreneur, micro & small enterprises, characteristics and factors.

1. INTRODUCTION

The past shows that economic advancement has been developed by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005). The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been

underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, a significant number of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Ethiopia. The idea and practice of women entrepreneurship is a recent phenomenon. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006). Even though we observe a number of women entrepreneurs in the business, recent studies show that most of them are found in Micro and Small Enterprises(MSEs). According to the Ethiopian Central Statistics Authority (2004), almost 50% of all new jobs created in Ethiopia are attributable to small businesses and enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women. According to Aregash as cited in Eshetu and Zeleke (2008), 98% of business firms in Ethiopia are micro and small enterprises. The 3rd census of Ethiopia shows that of the total population of the country (73,918,505), 36,621,848 are females (ECSA, 2007). This accounts 49.5% of the population. This shows that Ethiopia is among those African countries that are known by human resource potential. Regardless of its potential, it does not utilize this labor force.

When we come to Addis Ababa, it is one of the cities in which many women are found. According to the Federal Democratic Republic of Ethiopia's Population Census Commission (FDREPCC, 2014) of the 2,739,551 total population of Addis Ababa city, 1,434,164 are females. More than half of these females are within the age category of 15-59 years which is considered

as a productive age. Though the city is enriched by this greater and productive number of women, it seems that it does not utilize them as expected quality as well as quantity wise. One reason might be similar to that of the country as a whole, which is underutilization of women's potential. In order to make the country, the city and women themselves beneficiaries of this great potential, appropriate measures should be taken to reduce the bottlenecks/challenges that women entrepreneurs in MSEs encounter. Kolfe Keraniyo is one of among the sub-cities of Addis Ababa region, in which a large number of women Entrepreneurs are found. Information taken from Kolfe Keraniyosub-city MSEs Office shows that 2719 women entrepreneurs are found in the sub-city who are working in MSEs. Like the city as a whole, women entrepreneurship problems are tremendous in Kolfe Keraniyo too. To take appropriate measures for these problems, knowing the factors associated with the problems is a precondition for a problem well stated is half solved.

As mentioned in the introduction above, there are a large number of women in Addis Ababa. But the city administration does not yet exploit them very well to contribute a lot for economic development. One of the reasons for this might be problems of women entrepreneurs in MSEs. This is supported by different empirical evidences. For example, Gemechis (2007) and ILO (2009) stressed that entrepreneurs are surrounded by a number of challenges .This forces entrepreneurs in MSEs not to contribute lot to the poverty reduction of the sub-city, region and the country as a whole. This study is different from those researchers discussed above in that their focus areas were in all entrepreneurs regardless of their sex. Besides, they did not see the factors with respect to the different personal, organizational, economic, socio-cultural and legal/administrative matters. Similarly, their studies did not address women entrepreneurs in MSEs. But this study specifically focuses on factors that affect

the performance of women entrepreneurs in MSEs particularly in Kolfe Keraniyo sub-city. Women entrepreneurs in developing countries suffer from gender discrimination in society and laws, underdeveloped enterprise culture, inadequate support system for businesses and underdeveloped markets and infrastructure. Generally, women-owned businesses are concentrated in the low growth segment, face constraints such as poor access to finance, lack of business development services and business networks, limited exposure to business management experience and the challenges of juggling business with household and family responsibilities (Desta Solomon, 2010). Even though women entrepreneurs in MSEs account the greatest proportion of total entrepreneurs in the country as a whole and in Kolfe Keraniyo sub city in particular, there is an acute shortage of studies conducted with a specific objective of analyzing the problems of enterprises operated by women in terms of personal and organizational-related challenges, economic, social/cultural, and legal/administrative. This study is deemed to fill the gaps by identifying specific factors that are responsible for resilience in SMEs operated by women entrepreneurs, and dark light on women specific differentials that affect their performance. Thus, in this study it is thought to assess the different factors that affect the performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city. Furthermore, the supports given by different heads and training institutions to MSEs were assessed. More specifically, the study

1. Identifies the perceived impact of economic factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.
2. Investigates the perceived effect of socio-cultural factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.
3. Examines the perceived impact of legal & administrative factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.

2. LITERATURE REVIEW

2.1 Women entrepreneurs in Ethiopia

A national survey conducted by the Ethiopian Welfare Monitoring Unit as cited in Eshetu and Zeleke (2008) shows that women entrepreneurs in Ethiopia are not provided with adequate policy related and strategic support from the national government, and that the promotion of vibrant SMEs should be one of the most important priority strategies for empowering women, addressing abject poverty and unemployment in Ethiopia. Businesses and enterprises operated by women contribute for economic dynamism, diversification, productivity, competition, innovation and economic empowerment of the poorest of the poor. Historically, there has been a well-established tradition of women being involved in small businesses and enterprises. However, it is only recently that women's entrepreneurship has gained the attention of economic planners and policymakers particularly in developing countries in Ethiopia. Although the national government has come to acknowledge that supporting enterprises operated by women promotes gender equality and economic empowerment, the majority of enterprises operated by women face difficulty in terms of access to finance, resources, business skills and institutional support from the national government Ethiopian Ministry of Trade and The studies stressed that SMEs owned or operated by women in Ethiopia survive against tremendous odds of failure.

While it is true that the predominant image of the "Ethiopian woman entrepreneur" is one of poor women trying to survive, there are other profiles. One is of the woman who has, because of higher education and better access to economic and resources, been able to grow her micro enterprise into the small enterprise category (Hadiya, 1998; ILO, 2003).trade and industry of Ethiopia (2003); National Bank of Ethiopia (2002); Negash & Kenea, The studies

stressed that SMEs owned or operated by women in Ethiopia survive against tremendous odds of failure. While it is true that the predominant image of the “Ethiopian woman entrepreneur” is one of poor women trying to survive, there are other profiles. One is of the woman who has, because of higher education and better access to economic and resources, been able to grow her micro enterprise into the small enterprise category (Hadiya, 1998; ILO, 2003).

According to Hadiya, these women believe they are the most neglected category of women entrepreneurs because they do not have institutional credit or other support services available to them. These women have outgrown the micro finance system and yet are not able to borrow from banks. The other profile is of the woman who, because of her higher education, previous work experience, and better economic circumstances, has access to the financial and other resources needed to start and grow larger enterprises. Members of the Ethiopian Women Exporters’ Forum (EWEF) are illustrative of this group, although even members of the EWEF complain about inadequate access to commercial bank loans to meet their working capital needs because of the rigid requirement for collateral guarantees (which they often cannot meet). Research has shown that it is possible for women to make the transition from a micro to a small enterprise under the right circumstances. The ILO (2003) study of women in growth enterprises found that 70 per cent of the women entrepreneurs currently engaged in small enterprises had started them as micro-enterprises and grown them over time. Eshetu and Zeleke (2008) identified difficulty in obtaining loan from commercial banks, failure of business/bankruptcy, failure to convert profit back into investment, shortage of technical skills, poor managerial skills, and low level of education as the main challenges that women entrepreneurs in Ethiopia.

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 ;Shortage of working capital are constraints of women entrepreneurs in Ethiopia. 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.

2.2 MSEs and Women entrepreneurs in Ethiopia

Women Entrepreneurs in MSEs are important to almost all economies in the world, but especially to those in developing countries and, within that broad category, especially to those with major employment and income distribution challenges. On what we may call the “static” front, women entrepreneurs in MSEs contribute to output and to the creation of “decent” jobs; on the dynamic front they are a nursery for the larger firms of the future, are the next (and important) step up for expanding micro enterprises, they contribute directly and often significantly to aggregate savings and investment, and they are involved

in the development of appropriate technology. In an increasingly international marketplace, many companies are finding that prosperity is best achieved from specialization, as opposed to diversification. While the majority of the world's largest companies continue to provide multiple services to numerous markets, they now purchase many components and goods from smaller companies that serve one particular niche. As the global marketplace continues to develop, women entrepreneur's in MSEs provide an effective tool for economic growth through participation in global supply chains (World Bank, 2005).

According to Schorling (2006) and ILO (2006) the idea of Micro & Small Enterprises (MSEs) development in Ethiopia emerged as a promising agenda in the 1980s. A variety of reasons have been cited for the surge of interest in MSEs development, like: MSEs are a better way for poverty reduction, MSEs are a platform for sustainable development and productivity, and MSEs are important actors within the trade sector and a platform for economically empowering women and men. In November 1997 the Ethiopian Ministry of Trade and Industry has published the "Micro and Small Enterprises Development Strategy" which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs. Elements of the program include measures with regard to creating an enabling legal framework and streamlining regulatory conditions that hinder the coming up of new and expansion of existing MSEs. In addition specific support programs also include measures related to facilitating access to finance, provision of incentives, promotion of partnerships, training, access to appropriate technology, access to market, access to information and advice, infrastructure and institutional strengthening of the private sector associations and chamber of commerce.(ILO,2003).

The following definition of MSE is from the Ethiopian Ministry of Trade and Industry (1997) and is used to categorize the sector for the purpose of the strategy: Micro Enterprises are those small business enterprises with a paid-up capital of not exceeding Birr 20 000, and excluding high technical consultancy firms and other high tech establishments. Small Enterprises are those business enterprises with a paid-up capital of above 20,000 and not exceeding Birr 50 000, -- and excluding high technical consultancy firms and other high tech establishments. The Micro and Small Enterprises Sector is described as the national homes of entrepreneurship. It provides the ideal: environment enabling entrepreneurs to exercise their talents to the full and to attain their goals. In comparison with other countries it is known that in all the successful economies, MSEs are seen as a springboard for growth, job creation and social progress at large.

Schorling (2006) study shows that in Ethiopia's situation MSEs are confronted by various problems, which are of structural, institutional and economic in nature. Lack of Capital, market and working premises, marketing problems, shortage of supply of raw materials and lack of qualified Human resources are the most pressing problems facing MSEs. Although the economic policy of Ethiopia paid due emphasis for entrepreneurship values and appreciation of the sector's contribution to the economy, there are still constraints related to infrastructure, credit, working premises, extension service, consultancy, information provision, prototype development, imbalance preferential treatment and many others, which therefore need proper attention and improvement. According to GTZ (2003) women entrepreneurs in MSEs in Ethiopia are faced with a number of challenges. The following can be the main ones.

- Limited and for some complete lack of access to funds

- Lack of or poor skills of operators and/or the work force in the economy due to underdeveloped Technical and Vocational Education & Training (TVET) system
- Underdeveloped Business Development Services (BDS) market Poor infrastructure
- Weak private sector promotional institutions
- Weak public sector support system

2.3 Factors affecting performance of women entrepreneurs

Women Entrepreneurs have grown in large number across the globe over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of the world. But this does not mean that the problems are totally resolved. In support of this The Centre for Women's Business Research in the United States as cited in UNECE (2004) and Mahbub (2000) identified the following factors that affect women entrepreneurs.

Access to finance: Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women 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 assets as collateral and negative perceptions of female entrepreneurs by loan officers (Mahbub, 2000).

Access to markets: The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable

to take on 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 relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts (UNECE, 2004).

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

Access to networks: 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 a small scale, and are generally not members 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. Even when a woman does venture into these networks, her task is often difficult because most network 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 networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or

sub sectors and of women as individuals within any given sector (Mahbub, 2000).

Policy related factors: Most women have little access to policymakers or representation on policy making bodies. Large companies and men can more easily influence policy and have access to policy makers, who are seen more as their peers. Women tend not to belong to, and eventless reach leadership positions in, mainstream business organizations, limiting their input into policymaking through lobbying. Women's lack of access to information also limits their knowledgeable input into policymaking (UNECE, 2004).

Robertson (1998), OECD (2002), ILO (2008) added that the key factors that affect women entrepreneurs' performance especially in developing continents like Africa are: 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.

Even though women entrepreneurs in MSEs contribute a lot for the economic development of a country, there are a number of challenges that affect them associated with different factors. For example, according to World Bank (2005), ILO (2003), (SMIDEC, 2004), women entrepreneurs in MSEs are affected by lack of entrepreneurial, managerial and marketing skills; bureaucracy and red tape; lack of accessibility to information and knowledge; difficulties accessing financial resources/Lack of capital; lack of accessibility to investment (technology equipment and know-how) ;nonconformity of standardization, lack of quality awareness and lack of mutual recognition schemes ; Product and service range and usage differences ; language barriers

and cultural differences ;risks in selling abroad ;competition of indigenous MSEs in foreign markets ;inadequate behaviors of multinational companies against domestic MSEs/Lack of government supply-supporting programs ;complexity of trade documentation including packaging and labeling ;lack of government incentives for internationalization of MSEs ;inadequate intellectual property protection; unfavorable legal and regulatory environments and, in some cases, discriminatory regulatory practices; lack of business premises (at affordable rent); and low access to appropriate technology Furthermore, a study made in Malaysia by APEC (1994), shows that the women entrepreneurs in MSEs are facing many challenges, which are attributed to lack of comprehensive framework in terms of policies towards MSEs development; many agencies or channels for MSEs without effective coordination (this leads to lack of transparency to the target groups) ; inadequate data and information on the development of SMEs ; inability to be in the mainstream of industrial development. Many MSEs still occupy lands or sites that are not approved to be used for industrial purposes. There is also an underutilization of technical assistance, advisory services and other incentives made available by the government and its agencies. In addition, there is a lack of skilled and talented workers, which affects the quality of production as well as efficiency and productivity.

2.4 Conceptual framework and Research Hypotheses

2.4.1 Conceptual framework

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006). The lack of entrepreneurial culture reflected both in education and the media are major challenges for the expansion of entrepreneurship among women and girls.

These are good indicators of socio-cultural influences on individuals running their own business. (Desta Solomon 2010). Factors that affect the performance of women entrepreneurs in MSEs include finance, market, training, land, information, managerial skills, infrastructures and raw material, social acceptability, network, prejudice or class bias, attitude, gender, culture, harassment, business assistance, related to policy makers, legal, institutional and policy constraints, money, bureaucracies, tax, incentives, training, financial, technology, raw material and facility supports.

Nevertheless, the factors must be closely monitored to ensure that stringent measures are taken within the best time to either take advantages of the opportunities or combat their threats.

2.4.2 Research hypotheses

The following hypotheses are formulated for the study based on the conceptual framework discussed above.

H₀₁: Economic factors will not have significant impact on the performance of women entrepreneurs in MSEs.

H₀₂: Socio-cultural factors will not have significant effect on the performance of women entrepreneurs in MSEs.

H₀₃: Legal & administrative factors will not have significant impact on the performance of women entrepreneurs in MSEs.

H₀₄: TVET supports given to women entrepreneurs will not have significant effect on the performance of women entrepreneurs.

3. RESEARCH METHODOLOGY

The main purpose of this research is to study the relationship between performance as the dependent variable, and factors affecting the performance of women entrepreneurs as the independent variable. The study deployed both

qualitative and quantitative research approach (mixed approach). A combination of descriptive and explanatory research designs were adopted to address the research objectives of this study.

The population of the study consisted of 2719 women entrepreneurs who work in 5 sectors (manufacturing, construction, trade, service and urban agriculture sectors) of MSEs. For selecting sample entrepreneurs, proportionate stratified sampling was used in which the 5 key sectors were considered as strata so as to give equal chance to each of the sectors. A sample of 349 was taken and a total of 340 responded to the questionnaire distributed to them. The sample size was determined following Yemane (1967:886) sample size determination formula, at 95% confidence level and 0.05 precision levels.

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

Regression was used to describe the relationship between factors affecting the performance of women entrepreneurs. As the relationship between the independent variables was expected to be linear, the major statistical analysis that was used in this study is the ordinary least square (OLS) regression analysis (the simple regression analysis).

4. RESULTS AND DISCUSSIONS

4.1 Characteristics of women owned enterprises entrepreneurs in MSEs

The overall mean of family size have 1.82 indicating that the majority of respondents have family size of 2 implies that which is even less than the average family size in Ethiopia that is 4.8(CSA, 1995).This is contradictory and needs further investigation. Similarly the majority of respondents of number of employees have a mean of 1.90 which implies that majority of respondents have

hired 2 employees. This shows that women entrepreneurs open little employment opportunity. The mean of startup capital is 6811 birr which indicates that the majority of respondents' started their business by 6811 birr. The majority of the respondents about 31.5% are engaged in the manufacturing sector. The construction accounts 28.5% of the respondents. The trade and urban agriculture take the remaining 15.3% and 3.5% respectively. This indicates that the manufacturing sector is increasing at an alarming rate but opens little employment opportunity.

The majority of the respondents about 57.4% establish their enterprise in the form of cooperatives followed by joint ownership 27.4%. The family business and sole ownership take the remaining 10.6% and 4.7% respectively. From this we can interpret the openings of Micro finances allow women to be organized under cooperatives for the purpose of acquiring finance even without collaterals. Cooperatives give these entrepreneurs an opportunity of sharing skills, knowledge and experiences for one common goal which is organizational success. (Hisrich, 2005). Most of the respondent entrepreneurs around 47.1% establish their own business for the reason that they have no other alternatives for income. 27.6% of the respondents' start their own business since they want to be self-employed. Only 1.8% of the respondents establish their own business because they believe that it requires a small investment. This is because, had these entrepreneurs be from such a family, they would not have seen starting own business as a last resort. Majority of the respondents about 35.5% start enterprises with their own initiation. Similarly, 28.5% of the respondents start businesses with their friend/partner initiation. It is only 17.9 of the entrepreneurs establish business with an initiation of family. About 72% of the entrepreneurs respond that they have no family member who was an entrepreneur. It is only 29.7% who have an entrepreneur in their family. Of

those women who respond of having an entrepreneur family, 47.4% said that their fathers are entrepreneurs. Similarly, 21.05% respond that their mother is an entrepreneur. 17.89% and 11.58% said that their brothers and sisters are entrepreneurs respectively. It is only about 2.11% who have an entrepreneur grandfather. It is also indicated in the table above that 57.9% of the respondents acquire the necessary skill for their business from formal trainings. Moreover, 15.3% and 14.4% of the entrepreneurs acquire their skills from their family and from other experiences respectively. Only 12.6% of the respondent entrepreneurs acquire the skill from past experiences. The majority of the respondents (80.9%) use micro finances as main source of start-up funding in financing their enterprises. It is also clear that 8.5% of the entrepreneurs use personal saving as their main source of start-up funding. 1.2% of the entrepreneur finances their business from Assistant from friends/relatives and inheritance. Only 0.3% women entrepreneurs' Borrow from relatives or friends/money Lenders as sources of financing their business. Women entrepreneurs in MSEs do not use banks and NGOs as a source of financing. This implies banks, NGOs and other credit institutions are not main source of start-up funding in financing their enterprises. This should be done so that the entrepreneurs in MSEs can get enough access to finance for their business activities.

4.2. Descriptive statistics of factors affecting performance of women entrepreneurs

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006). As discussed above that microfinance are the main suppliers of finance for women entrepreneurs in MSEs. But in this study shows that women entrepreneurs in MSEs are not

satisfied with the financial access given by micro finances and other lending institutions. It shows 135 respondents (39.7%) strongly disagree and 110 respondents (32.4%) disagree. As the respondents 155 (45.6%), the market access of the respondents entrepreneurs is almost undecided. It seems that these women neither agree nor disagree on the market condition of their products. Most women entrepreneurs in MSEs acquire their skills for establishing their own business from formal trainings. But in this case, the access for different business trainings for the women respondents is disagree with 173 (50.9%) and 80 (23.5%) strongly disagree. One success factor for an entrepreneur is having own premises such as land (Hisrich, 2005). The respondent women entrepreneurs in MSEs do not have their own land to run their businesses. The response shows a 137(40.3%) strongly disagree and 83(24.4%) disagree. As the respondents 173 (50.9%) shows that, the respondent Entrepreneurs are disagree on access to information for their business opportunities.

In relation to their managerial skill in running their business, the respondents of 184 (54.1%) are disagree. With regard to technological access and market competition, the respondents of 133 (39.1%) for technology access and 157 (46.1%) for market competition shows that the respondents strongly disagree with a better technological access and with the idea that there is no stiff competition for their products. The 154(45.3%) shows that, the respondents women entrepreneur's in MSEs strongly disagree on the availability of the necessary infrastructures around their working areas. Lastly, the availability of necessary raw materials/inputs shows that the respondent entrepreneurs do not agree with their access to these inputs with 144 (42.4%). This also implies that the performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city 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. In similar to infrastructures and access to information are problems of women entrepreneurs in MSEs in Kolfe Keranyo sub-city.

The lack of entrepreneurial culture reflected both in education and the media are major challenges for the expansion of entrepreneurship among women and girls. These are good indicators of socio-cultural influences on individuals running their own business. (Solomon 2010).The following shows the current states that these factors have impacted women entrepreneurs in MSEs. The 183 (53.8%) of the respondents shows that women do not like to decide better social acceptability. Similarly, the contact (networks) that women entrepreneurs in MSEs have with outsiders is undecided with respondents of 107 (31.5%). However, they agree in the idea that they have no prejudices or class biases with a 90 (26.5%).Similarly, with regard to the attitude of the society towards their products/services, the respondent women entrepreneurs in MSEs do like to decide on idea that the attitude of the society is positive. On the other hand, in relation to the attitude of other employees towards their business and the relationship that these women entrepreneurs have with their employees, the respondents have a positive relationship with their employee and the attitude of the employees towards the business is positive too. The respondents of 144 (42.4%) agree and 124 (36.5%) strongly agree for the attitude of employees and relationship with employees respectively clearly strengthens this idea. But, these respondents do not agree with the idea of having conflicting gender roles. The respondents of 185 (54.4%) shows that there is different conflicting gender roles for women entrepreneurs in MSEs.

By the same token, issues of gender inequality, cultural influences and harassments are not serious problems for women entrepreneurs in MSEs. The

respondents agree with 107 (31.5%) that there are no gender inequalities. Similarly they agree on the issues that cultural influences and harassment problems are very low. This is justified by the 110 (32.4%) and 129 (37.9%) agree for cultural influences and harassments respectively. This result shows that conflicting gender roles, lack of social acceptability and network with outsiders are the Sever factors that affect women entrepreneurs in Kolfe Keraniyo sub-city. However, class biases, gender inequalities, attitude of employees towards the business and harassments are not problems of entrepreneurs in the sub-city in contrast to other researcher's findings. Besides to the above justifications, the reasons for such changes may be better access to media and other facilities that may change the society's attitude. Of the different factors that hinder entrepreneurial performance, the impact of legal and administrative influences is not to be undermined. The respondent women entrepreneurs in MSEs have business assistant and supports from government bodies. The respondents of 153(45%) shows that these entrepreneurs strongly agree with the issue that they have business assistants and supports from the concerned government officials. To the contrary, these women entrepreneurs disagree with the ideas of having network with administrative bodies and access to policy makers. The respondents of 135 (39.7%) and 125 (36.8%) clearly shows their disagreement for network with outsiders and access to policy makers respectively.

Even though this is the case, agreements are seen among the respondents in relation to the inexistence of legal, institutional and policy constraints. But they strongly disagree on the idea of borrowing money even without collaterals. The respondents 137(40.3%) and 188 (55.3%) for the constraints and collateral matters respectively. The interest rate charged by borrowing institutions and the tax levied on entrepreneurs is not reasonable. They strongly disagree on the

reasonability of the interest rates and disagree tax amount is justified by the respondents of 154 (45.3%) and 120(35.3%) for interest and tax amount respectively. In addition the respondents 'strongly disagree' that the overall legal and regulatory environments do not affect their performance with 153 (45%).With regard to government incentives 117 (34.4%) respondents disagree on it. In relation to bureaucracies and red tapes the respondents agree that it affects their performance with 112(32.9%). this result portrays that incentives, network with administrative bodies, access to policy makers, amount of tax and interest rate charged, request of collateral for borrowing money and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the sub-city. But, issues related to government bureaucracies and red tapes, legal, instructional and policy constraints, assistance and support from government bodies are not found to be problems of women entrepreneurs in MSEs. This highlights that there are some beginnings in encouraging women entrepreneurs in MSEs even though this is not believed to be satisfactory.

4.3 Factors affecting performance of women entrepreneurs operating under MSE

To understand the impact of factors affecting the performance of women entrepreneurs, data were subjected to regression analysis. Before conducting the analysis, the researcher conducted a multicollinearity test using Variance Inflation Factor (VIF). According to Hair et.al (1995), a VIF value of below 10 or $1/VIF$ value of greater than 0.10 is acceptable for multiple linear regressions. In this study the assumption is satisfied for all variables as presented in Table 1.

Table 1: Results of Multicollinearity Test

Variable	VIF	1/VIF
Economic factors	1.28	0.782078
Socio-cultural factors	1.19	0.843765
Legal & administrative factors	1.06	0.939674
TVET supports	1.06	0.942393
Mean VIF	1.15	

Source: Own survey result (2019)

The R-square value, which is the coefficient of determination measures the proportion of the variance in the dependent variable (the performance of women entrepreneurs) explained by the independent variables (economic, socio-cultural, legal & administrative and TVET). The result revealed that 41.1% of the performance of women entrepreneurs are caused by the correlates captured by the independent variables. The ANOVA statistics (F statistic= 58.406, $p < 0.01$) denotes that there is a significant positive relationship between the dependent variable (performance of women entrepreneurs) and independent variables (economic, socio-cultural, legal & administrative and TVET). This infers that the overall model was significant. The estimation result is presented in Table 2.

Table 2: Estimation results of factors affecting performances of women entrepreneurs

Variables	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Err.	Beta		
Constant	-0.057	0.190		-0.302	0.763
Economic factor	0.272	0.047	0.276	5.824	0.000
Socio-cultural factors	0.353	0.039	0.389	8.988	0.000
Legal & administrative factors	0.109	0.049	0.102	2.243	0.026
TEVT supports	0.297	0.042	0.309	7.150	0.000

Source: Own analysis result based on survey data (2019)

The null hypotheses for economic, socio-cultural, legal & administrative and TVET were all rejected implying that they have significant positive impact on the performance of women entrepreneurs. The performance of women entrepreneurs would rise by 0.272 for every positive increase of economic factors by 1 level provided that other factors (socio-cultural, legal & administrative and TVET) are constant. This is significant at $p < 0.01$. The performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city 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. As socio-cultural related factors increase by 1, the performance of women entrepreneurs' increases by a factor of 0.353. The result is significant at $p < 0.01$. With regard to socio-cultural conditions, conflicting gender roles, lack of social acceptability and network with outsiders are the factors that affect women entrepreneurs in Kolfe

Keraniyo sub-city. However, class biases, gender inequalities, attitude of employees towards the business and harassments are not problems of entrepreneurs in the sub-city. Additionally, holding other factors (economic, socio-cultural and TVET) constant, a unit increase in legal & administrative would lead to a 0.109 increase in the performance of women entrepreneurs, which is significant at $p < 0.05$. In relation to legal/administrative issues, incentives, network with administrative bodies, access to policy makers, amount of tax and interest rate charged, request of collateral for borrowing money and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the sub-city. But, issues related to government bureaucracies and red tapes, legal, instructional and policy constraints, assistance and support from government bodies are not found to be problems of women entrepreneurs in MSEs. This highlights that there are some beginnings in encouraging women entrepreneurs in MSEs even though this is not believed to be satisfactory.

TVET support would lead to an increase in performance of women entrepreneurs by a factor of 0.297 and it is significant at $p < 0.01$. The supports that TVET institutes/colleges provide to women entrepreneurs in MSEs in the areas of technology, machines, technical skill trainings, facility supports, and machine maintenance trainings, marketing trainings, plan and reporting trainings, entrepreneurship trainings, financial supports, machine gifts, raw material supports and customer service trainings are weak. This indicates that TVETs do not give a comparable value to business trainings and other supports.

Studies such as the World Bank (2005), ILO (2003), Samiti (2006), Tan (2000) and SMIDEC (2004) also asserted that the performance of women entrepreneurs in MSEs are affected by a number of economic, social/cultural

and legal/administrative factors. In similar to the findings of World Bank, ILO Samiti, Tan and SMIDEC, this study found that infrastructures and access to information are problems of women entrepreneurs in MSEs in Kolfe. Therefore it is possible to conclude that, even though the establishments of different sub-city administrative services, TVETs, MSEs and micro finances institutions/college are seen in different, the problems identified in this research shows that all are not doing what is expected of them. That is the sub-city administrative in providing working premises (land), the TVETs in training entrepreneurs, the micro finances in providing financial supports and MSEs in recruiting and selecting the youth. All these are joint responsibilities among these stakeholders in bringing women entrepreneurs in MSEs in to high performance. That is why the researcher concludes that much is not done in this regards.

5. CONCLUSION

The characteristics of women entrepreneurs in MSEs of Kolfe Keraniyo sub city shows that they have low entrepreneurial family, they take entrepreneurship as a last resort and others. From this, it is possible to infer that the entrepreneurship trainings is not given to women entrepreneurs in the sub-city; or even though it is given, it may focus on theoretical concepts than deep-rooted practical trainings. Or even if it is delivered practically, attention might not be given by women entrepreneurs. Even if this is the case, women entrepreneurs in MSEs still contribute for the countries development. MSEs are becoming an important area of emphasis for many developing countries in general and to Ethiopia in particular, primarily for its immense potentials as a source of employment given that there are a number of factors that affect their performance. Socio cultural factors, economic, legal & administrative and TVET supports are not minimizing in kolfekeraniyo sub-city and cities like

Addis Ababa they are still tremendous. This can be associated with the effects of globalization that may create intense competitions in the market and poor performances for those entrepreneurs that cannot easily cope up with changes.

For the MSE sector to be vibrant and serve as a springboard for the growth of a strong private sector in Ethiopia training centers like TVET system that supplies disciplined and quality workforce can be considered as one of the necessary conditions. A country with poor human capital has the least chance to develop even if huge capital outlays are invested in all other productive sectors. The production of trained workforce is as important or even may be more important than the production of goods and services. Whatever is produced in the economy to be competitive, both in the domestic and international markets, depends on the quality of the productive workforce the country has. Based on the results of descriptive analysis found that the performance of women entrepreneurs in Kolfe Keraniyo sub city is not good. The finding of the study established that socio cultural factors and TVET supports have relatively more positive influence on the performance of women entrepreneurs in the MSEs.

Given the findings, it is imperative to enhance the potential performance of women entrepreneurs in MSEs by attempting to do the following interventions:

- The Addis Ababa city government bodies should provide affordable alternative sources of finance for women entrepreneurs in MSEs. This can be done by communicating with the banks, NGOs and other credit institutions to lessen their requirements. This should be done so that the entrepreneurs in MSEs can get enough access to finance for their business activities. Moreover, to tackle the different economic, social/cultural and legal/ administrative bottlenecks they face, women

entrepreneurs should make lobbies together to the concerned government officials by forming deep rooted entrepreneurs associations.

- Women entrepreneurs in MSEs of the sub-city should share experiences with other entrepreneurs in other sub-cities and regions or towns so that they can learn a lot from best practices of those entrepreneurs. In addition, the current situation for finding work or competency is very difficult. Therefore, to tackle these problems the entrepreneurs should work very hard.
- To make women entrepreneurs in MSEs competitive and profitable, increasing the capacity and skill of the entrepreneurs through continuous trainings, experience sharing from successful enterprises, and provision of advice and consultancy are crucial. Moreover, improved provision of necessary infrastructure and enabling the environment for business operations is generally an imperative. Uninterrupted power supply and quick transportations are basic to effective performance of these enterprises.
- In the long run, for future generations of women entrepreneurs, two of the most important things are, to improve women's access to education, and effect changes in the cultural, socio-economic environment to accord them higher status and ensure more control over economic resources. Women entrepreneurs in MSEs should have a vision and set goals when developing products in terms of what is to be accomplished, what activities are needed, what products to develop, selection of target markets, responsibilities for which task, what resources are required and how they will be obtained, etc. (i.e. business plan); develop training packages for product development and enable women entrepreneurs to participate in integrated training programs and encourage self- learning;

- Promotion of business linkages between women and large companies and provision of training and advisory services like business mentoring, so as to develop the managerial and marketing skills of women entrepreneurs would also contribute to alleviating internal impediments to the growth of enterprises. Encourage and build the capacity of women entrepreneurs to engage in growth oriented business activities through business development services.

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