

FINANCIAL AND OPERATING PERFORMANCE OF WOMEN OWNED MICRO AND SMALL ENTERPRISES (*THE CASE STUDY JIMMA TOWN*)

A Thesis Submitted To The School of Graduate Studies Of Jimma University To Undertake A Research In Partial Fulfillment Of The Requirements For The Award Of The Degree Of Master Of Science In Accounting and Finance

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Declaration

I, **Fikadu Begna**, Declare that this proposal entitled: **financial and operating performance of women owned micro and small enterprises (*the case study jimma town*)**

Is the outcome of my effort and that all sources of materials used have been duly acknowledged.

To the best of my knowledge this research proposal has not been submitted for any degree at this university or any other university. it is offered the partial fulfillment of the degree of master science in accounting and finance (MSc).

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This is to certify that the research proposal entitled: “*financial And operating Performance of women owned micro and small enterprises (the case study jimma town)*” submitted in partial fulfillment of the requirement for the degree of Master of science in accounting and finance in the graduate program of the department of accounting and finance, and school of graduate studies and has been carried out by **FikaduBegna** under my/our supervision. Therefore I/we recommend that the student has fulfilled the requirement and requirements and hence here by can submit the research proposal to the department.

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LIST OF ACRONYMS

BSC; Balanced Scorecard

BDS; Business Development Service

CSA: Central Statistics Authority

EDRI: Ethiopian Development Research Institute

FeMSEDA: Federal Micro and Small Enterprise Development Agency

ILO: International Labor Organization

MFI: Micro finance Institution

MSE: Micro and Small Enterprise

NBE: National Bank of Ethiopia

NGO: Non-Governmental Organization

ReMSEDA: Regional Micro and Small Enterprise Development Agency

ROI: Return on Investment

UNIDO: United Nation Industrial Development Organization

WEA: Women entrepreneurs` association

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Abstract

This research study sought to financial and operating of women Owned MSEs in the case study jimma town. In conducting this study, wide range of literature on MSE in general and women operated MSEs in particular were reviewed. Women operators face different barriers, from realizing the full potential of their enterprises, and these include cultural, financial, business support ,education, training , regulatory and infrastructural obstacles as major ones. In this study, the target was 345 women owned micro and small enterprises operating in Jimma town. The research design used was both descriptive and explanatory design where the target population was divided into various groups or strata. Primary data was collected distribute questionnaires to the women entrepreneur and I used quantitative and qualitative data was analyzed using the Statistical Packages for Social Sciences and presented using percentages, frequencies and tables. This study established that poor business skills, unequal balance between domestic and business responsibilities, ineffective communication skills and poor personal financial credibility promoted discrimination based on gender hence financial operating performance of women owned MSEs in Jimma sub-city. The researcher forward recommendation to the Women operating their own business only push it to the extent it can generate enough amount that would assist them support their family. This limited scope they have for their enterprises is not intentional but is also the result of wide range of cultural, financial, business related obstacles. And Due to this reason they are forced to reduce their savings and amounts that may be used to support their family.

Key word: financial operating performance of women owned MSE.

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

The definition of MSE of Ethiopia refers to the micro and small enterprises sector. MSEs are business that is characterized by their small size, limited capital investment, and relatively low number of employees. In Ethiopia the MSE sector plays a significant role in the Economy, contributing to creation, poverty reduction, and overall economic growth. MSEs in Ethiopia are typically involved in various industries such as manufacturing, construction, services, and agriculture. The government of Ethiopia has implemented various policies and programs to support and promote the growth and development of MSEs in the country. **(Walter, 2013)**

Definitions of micro and small enterprises (MSEs) vary across countries as well as across sectors and industries. Although there is no universal definition of what constitutes an MSE, the most commonly referred criterion is its number of (regular or permanent) employees. Micro and small enterprises are the small types of business which are characterized with small investing, low profit and rapid turnover of the capital. Evidently, micro and small enterprises can be called the most important sector of the state economy after medium business. However access to finance remains to be a major problem hampering MSEs from playing their productive role in the economy. In many countries, especially in developing countries micro & small enterprises are small informally organized commercial operations owned and operated mostly by the poor. **(Kiggundu, 2018)**.

They account for a substantial share of the total employment and gross domestic product (GDP) contribute significantly to the alleviation of poverty and income creation. The MSEs Sector is believed to be able to reduce the gap that exist between the poor and the rich in developing countries regarding income generation and, unemployment rate. Micro and small enterprises can be defined based on various criteria. Some countries may use the employment size, total assets etc. to put them as micro, small and large Enterprises. In the case of Ethiopia, MSE are defined based on available resource (MSE Development strategy 1997:8) In the MSEs development strategy document of Ethiopia MSE are put as:-Micro enterprises are those business enterprises with paid up capital of not exceeding birr 20,000 and excluding high technology consultancy firms and other high technology establishments. Small enterprises are those business enterprises with paid up capital of above birr 20,001 and not exceeding birr 500,000 and excluding high technology consultancy firms and other high technology establishment. Large and medium enterprises by default are those enterprises with more than birr 500,001 in paid up capitals **(Tarfasa, 2016)**.

MSEs have been recognized as being great contributors to the Ethiopian economy offering both employment and platform for innovative ideas. They form a larger percentage of the businesses that operate in the country as compared to their medium and large counterparts. It is often argued that access to financial services is crucial for MSEs in overcoming capital constraints and managing risks. Indeed, many MSEs lack the financial capital to engage in more productive and rewarding activities. Securing finance for business start-up or business operation is one of the major obstacles of every entrepreneur, particularly those in the MSE sector. This study therefore aims to financial and operating performance of women owned jimma town and to recommend suitable measures to be taken. MSE is a secular, indigenous, non-governmental organization established in 1997 and legally registered with the Ministry of Justice. MSE is dedicated to the elimination of the facets of urban poverty and the realization of sustainable livelihoods among poor urban women. Having started its operation in 1998, the organization is currently working with poor self-employed women in jimma town in their efforts to achieve self-reliance, exercise rights and improve the quality of their lives. MSE's areas of intervention include building the capacity of women micro-entrepreneurs through institution building, training, education and provision of financial services. The organization envisages a nation where women are socially and economically empowered, gender equality is attained and the current level of poverty is significantly reduced. (<http://www.wise.org.et>)

The target groups for MSE's intervention are poor, self-employed women in Jimma mainly engaged in home based production and small scale trading activities and unemployed women who wish to engage in micro-enterprise operation. (<http://www.wise.org.et>).

1.2 Statement of the Problem

The poor in Ethiopia have low income that leads to low investment which in return leads to low productivity and income. MSEs have become critical components in the resurrection of manufacturing systems. They have properties that make them excellent for beginning change in manufacturing systems. Many of them are formed in Ethiopia with the goal of providing work possibilities for residents of lower socioeconomic status. MSEs in Ethiopia are typically women-oriented and designed to produce jobs. MSE's have become essential factors in the revival of production systems. They have got certain characteristics, which make them suitable for initiating change in production system .In Ethiopia lots of them are organized with an intention of providing employment opportunities for those citizens relatively living at a lower standard. MSE's in Ethiopia are, generally, women oriented and structured in a manner to create jobs. Women-owned MSEs, like any other business, are impacted by macroeconomic variables such as inflation, as well as business-specific issues such as undercapitalization, a lack of expertise, a lack of training, peer support, and so on. This study was done to shed light on the operating financial performance of women-owned MSEs, the variables influencing their performance, and metrics, by focusing on macroeconomic and business-specific (MSE-specific) issues. Women operated MSE's, just like any other business, are affected by macroeconomic conditions such as inflation and business specific situations such as under-capitalization, lack of experience, lack of training, peer support etc. By dwelling on macroeconomic and business specific (MSE specific) problems, this study was conducted to shade light on the operating and financial performance of women operated MSE's, affecting their performance and measures, by all concerned parties, that should be taken to enhance their performance.

Women operators face different barriers, from realizing the full potential of their enterprises, and these include cultural, financial, business support ,education, training , regulatory and infrastructural obstacles as major ones. These obstacles, beyond limiting the income operators generate, they also have got a negative impact on the growth, and expansion of enterprises.

The gab of Financial operating performance of women owned are Business skill, family responsibility profit, sales, financial credibility and communication skills. Prior studies did not address delivery limited access to financial resources, lack of financial literacy and lack the necessary knowledge, business skills, financial creditability, family responsibilities, Communication skills and profit.

This research intends to solve the pressing problems with Financial performance of women's and the difficulties Revenue generate of women's in jimma town has had with saving performance.

1.3. Research Questions

❖ The study seeks to answer the following questions:

- 1) How does financial credibility affect the financial operating and Performance of Women-owned MSEs?
- 2) What is the relationship between business skills and financial operating and Performance of Women-owned MSEs?
- 3) How do family responsibilities impact the financial operating and Performance of Women-owned MSEs?
- 4) What is the correlation between communication skill and financial operating and Performance of Women-owned MSEs?
- 5) How does profit influence the financial operating and Performance of Women-owned MSEs?
- 6) How does evaluate your sales of the financial operating and Performance of Women-owned MSEs?

1.4. Research objectives

1.4.1 General objective

The financial And Operating performance of women owned MSE's In Jimma Town.

1.4.2 Specific objectives

In order to seek answer to the basic research questions and attain the broad research objective, the study the following specific objectives.

- To financial credibility affect the financial operating and Performance of Women-owned MSEs in Jimma town.
- To the relationship between business skills and financial operating and Performance of Women-owned MSEs in Jimma town.
- To responsibilities family impact the financial operating and Performance of Women-owned MSEs in Jimma town.
- To correlation between communication skill and financial operating and Performance of Women-owned MSEs in Jimma town.
- To influence profit the financial operating and Performance of Women-owned MSEs in Jimma town.
- To evaluate your sales of the financial operating and Performance of Women-owned MSEs in Jimma town.

1.5. Significance of the study

This research, conducted on the Financial and operating performance of women owned micro and small enterprises jimma town may have the following significance.

- The research finding may be used as a source of reference regarding Financialperformance practice and its operating on performance
- To All other interested parties to investigate whether women-owned MSEs are meeting the expectations of parties ranging from government organizations, unions, and association members to particular MSE owners.
- It may be used as a base for other researcher who is interested in the area to investigate further and this study also aims to enlighten parties such as researchers, students, and academics on the performance of women who run MSEs.

1.6. Scope of the study

The study covers only MSEs operating in jimma town. Besides, the study tries to give explanation about limiting factors to source of finance specific to formal finance and non-formal finance will be included as part of this study. In addition to that, this study will focus on barriers of access to finance on the demand side thus; the supply side is not part of the study.

1.7, limitation of the study

However, this research is limited to six business skills, family responsibilities, profit, sales, personal financial credibility and communication skills of Jimma town. The researcher tried to select five Logistics practices based on the literature but practices not selected may be more important with the context of Service Firms, Ethiopia.

1.8. Organization of the paper

The thesis comprises five chapters. The first chapter gives an introduction to the research where in the context, the problem addressed and the objective of the study was discussed. The second chapter focuses on both theoretical and empirical review of related literature detailed presentation of literature on determinants of micro and small enterprise. Chapter three encompasses methodology used in the study emphasis on the method of research design, sample selection process, and method of data analysis. The fourth chapter is data analysis and interpretation which analyses data collected from primary data sources. This chapter also presents analysis and interpretation of the findings. The least and most important is chapter five have about summery, conclusion and recommendation and Followed by a list of references and appendix.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Importance of Micro and Small Scale Enterprises

MSEs can play a much bigger role in developing national economies, alleviating poverty, participating in the global economy and partnering with larger corporations. Well-managed and healthy MSEs are a source of employment opportunities and wealth creation. They can contribute to social stability and generate tax revenues. MSEs can constitute an important source of local supply and service provision to larger corporations. They usually have extensive local knowledge of resources, supply patterns and purchasing trends. Developing countries also represent a huge, largely untapped market for large corporations. By working closely with SMEs, large corporations can develop a new customer base that may not be accessible to the traditional distribution networks of these corporations. Naturally, these enterprises solve several problems – economic and social ones. For example, due to micro and small enterprises the country solves the problem of unemployment and poverty; because many people have the chance to start their own profitable private or family business and provide themselves with everything they need. Many countries in Sub-Saharan Africa have a large number of MSEs relative to the size of the economy. Most of them has obstacles to MSEs growth and concluded as key obstacle to MSEs entry, investment and growth. Studies shows the role played by MSEs and micro enterprises in Sub-Saharan Africa Countries for the developing economy and the challenge they faces are often completely different. Accordingly, MSEs are facing many problems like access to sufficient amount of risk capital, access to technology and access to stable electricity supply.

The growth and development of SMEs in a country plays a great role and can contribute to poverty reduction. Whereas worldwide literature on the subject of access to finance shows that firms report access to finance as a major obstacle to development and growth next to inflation, taxes and regulation and political instability. On the subject of access to finance around 79% of the study participant clearly expresses the major constraint to the growth of their business as lack of finance.

MSEs can play a much bigger role in developing national economies, alleviating poverty, participating in the global economy and partnering with larger corporations. Well-managed and healthy MSEs are a source of employment opportunities and wealth creation. They can contribute to social stability and generate tax revenues. SMEs can constitute an important source of local supply and service provision to larger corporations. They usually have extensive local knowledge of resources, supply patterns and purchasing trends. Developing countries also represent a huge, largely untapped market for large corporations. By working closely with MSEs large corporations can develop a new customer base that may not be accessible to the traditional distribution networks of these corporations. MSEs also

represent an important source of innovation. They tend to occupy specialized market “niches” and follow competitive strategies that set them apart from other companies. This might include re-engineering products or services to meet market demands, exploring innovative distribution or sales techniques, or developing new and untapped markets. This often makes them good partners for large corporations. MSEs often have a vested interest in community development. Being local, they draw upon the community for their workforce and rely on it to do business. For the communities, they provide goods and services tailored to local needs and at costs affordable to local people. They are an important source of employment, particularly for low-skilled workers, as well as women and young people, who usually make up the greatest proportion of the unemployed in emerging economies (Osotimehin, 2012)

2.2. Theoretical literature review

2.2.1. The definition of MSE of Ethiopia

The definition of MSE of Ethiopia refers to the micro and small enterprises sector. MSEs are business that is characterized by their small size, limited capital investment, and relatively low number of employees. In Ethiopia the MSE sector plays a significant role in the Economy, contributing to creation, poverty reduction, and overall economic growth. MSEs in Ethiopia are typically involved in various industries such as manufacturing, construction, services, and agriculture. The government of Ethiopia has implemented various policies and programs to support and promote the growth and development of MSEs in the country. MSE can be defined based on various criteria. Some countries put criteria such as employment size and others adapt factors like net assets, total asset etc. to put them as medium and small enterprises. In the case of Ethiopia MSEs, generally, are defined in a manner that takes availability or scarcity of resources (Walter, 2013)

The strategy puts MSE’s in the following manner:-

- I. **Micro enterprises:** - those small business enterprises with a paid up capital of not exceeding birr 20,000 and excluding high technology consultancy firms and other high technology establishments.(seyoum, 2016)
- II. **Small enterprise:** those business enterprises with paid-up capital of above 20,001 and not exceeding birr 500,000 and excluding high technology consultancy firms and other high technology establishments.
- III. **Large and medium enterprises:** by default, are those enterprises with more than birr 500,001 in paid up capitals. Having these points in mind, MSE’s can also be distinguished using the number of people that work under them. Generally, micro-enterprise is one with fewer than 10

employees; a small enterprise is one with 11-50 employees; and large and medium enterprises are those with more than 50 employees (Tambunan, 2019)

Table; 1 .The definition of MSE of Ethiopia

Enterprises	Paid up Capital	Number of Worker
Micro	< Birr 20,000	Under 10
Small	20,001 -500,000	11- 50
Large	>Birr 500,001	Over 51

Source; (Assefa, 2014)

As can be seen from the preceding points, the definitions attempt to include certain capital-intensive facilities that fall under medium and large firms, but this research was only focus on those definitions provided for small and micro enterprises.

2.2.2, Constraints facing the sector

It goes without stating that the industry is playing a significant role in national poverty reduction and job development by focusing on the most vulnerable segments of society. Currently, the government is paying close attention to the industry, making attempts to alleviate the numerous restraints that operators confront. This is accomplished by recognizing the many obstacles that must be addressed in order for the MSE sector to reach its full potential, which include. (Li, 2020).

a. Access to entrepreneurial and growth training

Even though there exist trainings, which are largely funded by donors, they are marked by a lack of follow-up, advising, and support services. The overall nature their flaws stem from their restricted scope of giving a growth strategy orientation. In general, managerial skills are seldom emphasized in training. (Williams Middleton, 2020)

b. Legal and regulatory environment

Credit and a functioning market are important difficulties, and registering is an expensive and time-consuming procedure. The Ethiopian government has now highlighted premises, market, and finance-related concerns as important impediments to the sector's optimal performance toward its primary goals of poverty reduction and employment development. Operators face challenges such as limited access to relevant technology and insufficient access to excellent business infrastructure. All objectives can only be realized if all parties involved pay close attention to the bottlenecks in the industry. Minor but significant impediments, such as infrastructural issues with negative consequences; restricted and scarce MSE-related information technology, should also be considered for the sector's effective and efficient operation. (Moses, L. B. (2013). How to think about law,

regulation and technology: Problems with ‘technology’ as a regulatory target. *Law, Innovation and Technology*, 5(1), 1-20., 2013, p. 8).

2.3. Empirical Literature Review

For the sake of this study only, empirical evidences from local and other country experience have been discussed by grouping in to four major factors as; owner-manager personal characteristics, firm own characteristics, firms’ relationship with finance provider, and other supplementary factors.

2.3.1. The number of MSE and employment

According to Feyisa, **B. D. (2019)**. The number of MSE and employment in jimma town. **Jimma 2019** sample study done in 17 kebel in May 2007, there are over 50,000 informal sector activity operators and 273 small-scale manufacturing businesses employing 39,898 people. According to the above figure, of the total members of MSE in the nation, 99.4 percent go to the micro enterprise sectors, with 77, 370 operators, accounting for 89.8 percent of the total operators of the sector. Small businesses come in second with 2731, accounting for 0.5 percent of the sector, and employing 8929 people, accounting for 0.9 percent of overall sector employment. Large and medium-sized businesses come last with 642 in number, contributing for 9.3 percent of total employment (better than small businesses.(Feyisa, 2019)

2.3.2, Objectives of MSE

The micro and small business sector is often known as the "national home of entrepreneurship." It provides the best atmosphere for entrepreneurs to fully utilize their abilities and achieve their objectives. MSEs are viewed as a crucial springboard for growth, job creation, and overall societal improvement in all successful countries. MSEs have a larger role in aiding the government through job creation and poverty reduction, despite the fact that their contributions vary depending on paid up capital, employment capacity, and other criteria. This same industry assists the government in bringing various skills and abilities targeted toward economic growth. This requires far less capital or government spending. In general, the sector seeks to achieve the following goals.(Naithani, 2018)Job

1, Opportunities

MSEs often employ or absorb a significant number of jobless people, but this does not position them to produce well-paying employment and any established employment position which is currently vacant and left unfilled by a qualified workers.

2, Economic Growth and Development

MSE participates in the production of products and services for mass consumption and encourages economic growth by utilizing mostly local resources. Their expansion also leads to more equal regional development and income and wealth distribution

3, Poverty reduction

This point is connected to employment creation. Destitution in this context refers to the operators' own poverty. The majorities of operators are impoverished and live at the bottom of the economic spectrum. The opportunity to establish their own firm with very little start-up money and grow from there was help them sustain themselves and their families. This intern was contributing to the reduction of national poverty. (Naithani, 2018)

2.3.3, the state of women enterprises in Ethiopia

Data on MSEs in general and women-owned MSEs in particular, are few, despite the sector's importance becoming more apparent than ever. Finding appropriate data for analysis is challenging, if not impossible. The lack of data on women's participation and role in MSEs, as well as the lack of any national profile of women entrepreneurs or their enterprises, must be highlighted as major barriers to carrying out an extensive analysis of their operations in general, and their financial and operating performance in particular (Alene, The state of women enterprises in Ethiopia, 2020)

2.3.4. Segments of women in MSE

Generally women in MSE have got three segments.

Large Micro enterprisers: most operators are found here facing many various constraints to growth.

The following points characterize these operators:-

- ✓ Low level of education
- ✓ Limited Access to training
- ✓ Low capital resources; group-lending hinders ability to grow, Micro-Finance institutions (MFI) limit of Birr 5000 is too low a ceiling, only possible below the ceiling.
- ✓ Problem moving to formal status, difficulty with licensing/tax issues

Small enterprisers: featured by small number and their potential to grow. Unlike their micro-enterprise counter parts they are over the Micro Finance Institutions (MFI) threshold. These operators are characterized by:-

- ✓ Benefit them from membership in women entrepreneurs association.
- ✓ Their need of exposure to market, business opportunity information.
- ✓ Their need of financial and management training focused on growth.
- ✓ MFI ceiling is way too low to be of use, collateral constraints limit other credit options.

Medium/large enterprisers: - These operators are characterized by: -

- ✓ Their require for growth management
- ✓ Their need for more flexible and diverse loan products to meet working capital needs
- ✓ Their need for information about technologies, international linkages, trades fairs, export practices. (Kadaba, 2022)

2.3.5. Role of women in the MSE Sector

Women in the MSE sector often operate in a social, economic, and political setting. These variables are more vulnerable to and influenced by these factors than their male counterparts. The International Labor Organization (2019) emphasized the comprehensive policy and program framework for the development of the micro and small firm sector. The importance of women operators in driving economic growth has put some pressure on the government to pave the way for improved performance by designing and implementing a strategy for providing suitable support services. (Mbiti, 2015)

2.3.6. Barriers facing women entrepreneurs

Women company owners are perceived to lack the material, human, and social resources required to make smart business decisions. Women are frequently denied access to education, knowledge, and modern technologies for cultural reasons. As previously said, women in MSE are driven into the industry due to the economy's inability to accommodate them. There are issues that prevent people from achieving their goals once they enter the field. The following issues were identified as important impediments by (S, 2016)(Rani, 2016)

➤ **Lack of market access and information**

Because of the high cost of managing premises, most women prefer to service marketplaces close to their homes. According to (Bekele, E., &Worku, Z., 2021) most people manage their enterprises from their homes, which inhibit their ability to explore new and larger markets and develop by utilizing accessible market knowledge. Product quality, as well as other external variables such as infrastructure-related issues, was highlighted by as additional hurdles to identifying information to penetrate new markets.

➤ **Lack of opportunities for bulk purchase of inputs**

According to (Bekele, E., &Worku, Z., 2021), many women-owned businesses have a price disadvantage due to a lack of economies of scale. This same study found that this is true even for male MSE operators, but it has a greater impact on women managing MSEs owing to the significant influence of social and cultural obstacles.

➤ **Low level of education**

In general, most women who run MSEs have basic reading and writing abilities. Women in Ethiopia have had restricted access to education, despite changing circumstances, due to social and cultural considerations. Women with poor educational backgrounds are one of the MSE development strategy's target groups. Women's restricted educational opportunities were influence how they design, manage, and oversee business operations. Their capacity to obtain market knowledge, effectively evaluate it, and use it to grow and expand is limited due to a lack of sufficient education. Despite the above-mentioned fundamental impediments, women who manage MSEs face the following particular issues as barriers to their growth and expansion. (Johnson, 2014).

2.3.7. Women's access to finance

In Ethiopia, access to institutional finance is limited, despite a high demand for MSE funding. Start-up businesses are frequently undercapitalized, which severely limits their future development and growth. With limited access to alternative sources of finance, women frequently start businesses with their own money or money borrowed from family and friends. As a result, they have a propensity to start small and stay there. Informal lenders (money lenders, trade credit, friends, relatives, etc.) are the most common forms of MSE financing in Ethiopia, followed by semi-formal finance microfinance institutions and commercial banks (Fletschner, 2014)

Today the major financial institutions operating in the country are banks, insurance companies and micro-finance institutions (NBE 2015). Prior to reform process, there had not been any competition within the financial sector due to the fact that all of the formal financial institutions were state owned and private financial institutions were not allowed to operate. After the implementation of the reform process starting from 1992, there have been significant measures undertaken by the government.

The Ethiopian Financial system, falls into three categories. Which includes?

- 1. The formal**, which is well organized and provides financial services mainly to urban areas. It incorporates like banks, insurance companies and microfinance institutions.
- 2. Semi-formal** which are not regulated and supervised by NBE. Example Savings and Credit Cooperatives
- 3. The informal** financial sectors that are not regulated including Iqub, Iddir and others.(Aredo, 2017)

2.3.8. Training and Skills development

Any training and skills development system should aim to transfer knowledge and skills in three:

i) Technical. ii), Business management, and, iii), entrepreneurship.

There are numerous organizations, NGOs, and Micro finance institution in Ethiopia that provide enterprise-related training, but there is no coordinated strategy for providing training or addressing training gaps (as each supplier is focused on their individual mandate. there is little emphasis on "growth" training initiatives, and training offered to existing MSEs tends to attract a lower proportion of women.(Trivette, 2014).

2.3.9. Deficiencies in meeting needs of women-owned MSEs

Use of external, formal, managerial capacity building support by women entrepreneurs is very limited (Tambunan, 2007) .For the most part, women entrepreneurs manage their enterprises with support from family and friends both during start-up and expansion stages, with little take-up of training opportunities.(Kiyai, 2019). The following points may be taken as major deficiencies with the trainings provided:-

- Low outreach, due to limited capacity and poor access in rural areas, where many women entrepreneurs are located:
- Not customized to the needs of individual MSEs (delivered in group training workshops using generic materials);
- Limited follow-up to the standard one-week training programs.

2.3.10, Performance measurement

Performance measurement is the process used to assess the efficiency and effectiveness of projects, programs and initiatives. It is a systematic approach to collecting, analyzing and evaluating how “on track” a project/program is to achieve its desired outcomes, goals and objectives. (Bititci, 2012)

2.3.10.1. Design of the system

The measurement of every organization was needed to develop their own set of performance measures to help them gain and retain competitive advantage. The set of measures they adopt was be affected by the interaction of three contingent variables. "Performance measurement: challenges for tomorrow." *International journal of management reviews* (Albrecht, 2015)

- Competitive advantage environment they face.
- Their chosen strategy, for example, cost leadership or product differentiation.
- The type of business they are running.

The design of the system is linked to these variables. The three steps are as follows:

1. **The first stage** is to identify the organization's competitive environment. If the environment is chaotic and dynamic, managers must create an interactive information system that focuses on strategic threats and uncertainties. Regular conversations between senior management and operational workers were aid in organizational learning. If the business environment is solid, management may outsource control of day-to-day operations to achieve long-term competitive success.
2. **The Second stage** is what is measured is determined by strategic goals. If the business intends to differentiate itself in the market based on service quality, it should develop ways to monitor and regulate service quality. If the strategy is built on technology and innovation, the company's success in these areas should be measured in comparison to its rivals.
3. **The third stage** is to decide what type of business you are dealing with. Some measures may be feasible in one sector of the business, but not in others. Even when the strategy and what should be measured are known, it may not be that easy to see how to measure it.(Marx, 2011)

2.3.10.2. The performance pyramid

The applying Performance Pyramid Model in STEM Education. *Journal of STEM Education: Innovations and Research* 22.1 (2021). Was created as a model to help organizations comprehend and clarify the relationships between objectives and performance measurements at various levels. The performance pyramid is intended to guarantee that the operations of each department, system, and business unit complement the organization's overarching goal. The pyramid is the vision that defines how the organization wasattaining long-term prosperity and competitive advantage. The key success

factors (CFSs) in terms of market-related and financial indicators are included in the business unit portion of the pyramid. The company operating system contains measurements related to internal systems and procedures required to satisfy client demands. Measures of flexibility, for example, which relate to how responsive the following table gives examples of possible criteria for success and measures, which could be used in each case, both financial and non-financial. (Caldwell, 2017)

Table 2

Financial performance	-Cost
	- Profitability
	- Liquidity
	- Budget variance analysis
	- Capital structure
	- Level of bad debts
	- Return on capital employed (ROCE)
	- Sales growth by product or service
	- Measures of customer base
	- Relative market share and position
Activity	- Sales units
	- labor/machine hours
	- Number of material requisitions serviced
Productivity	-Efficiency measurements of resources planned against Consumed
	-Measurements of resources available against those used
	-Productivity measurements such as production per person or per hour or per shift.
Quality of service	-Quality measures in every unit
	- Evaluate suppliers on the basis of quality
	- Number of customer complaints received
Customer satisfaction	- Speed of response to customer needs
	-Informal listening by calling a certain number of customers each Week
	Number of customer visits to the factory or workplace
	- Number of factory and non-factory manager visits to customers
Quality of working life	Day's absence
	Labor turnover
	Overtime
	Measures of job satisfaction
Innovation	-Proportion of new products and services to old ones
	- New product or service sales levels

Source:(Whitty, 2016)

2.3.10.3. Balanced Scorecard

Kaplan and Norton launched the Balanced Scorecard (BSC) in 2011, as one of several comparable balanced scorecard concepts proposed at the time. The Kaplan and Norton model is perhaps the most well-known, and it has become synonymous with the Balanced Scorecard. The Balanced Scorecard integrates financial metrics with other key performance indicators related to customer satisfaction, internal business processes, and organizational development, learning, and innovation to offer an enterprise picture of an organization's total performance.

The BSC converts strategy into action—rapidly and measurably—at all levels of the company by connecting strategy with the four areas mentioned above in a change management framework. The

BSC is a tool for achieving "balance" among many components that share a vision for the organization's future development. By focusing on a few essential KPIs in target areas and pushing them to manage and monitor day-to-day operations as they effect development tomorrow, the BSC connects short-term operational control to long-term vision and strategy.

The old financial accounting model can no longer measure businesses operating in the information age in the short term. This paradigm, designed for the industrial period, evaluates past occurrences rather than investments in skills that produce value in the future. The Balanced Scorecard is a framework for combining strategy-derived metrics. The Balanced Scorecard highlights the drivers of future financial achievement while keeping financial metrics of previous performance. "The balanced scorecard: Measures that drive performance evaluation in auditing firms.(Hoque, 2013)

2.3.10.4. Performance Drivers

The drivers (customers, internal business processes, and perspectives on learning and growth) are taken from the organization's strategy and turned into targets and metrics. A good balanced scorecard should include both outcome measurements (lagging indicators) and performance drivers (operating indicators). Without performance drivers, outcome measures do not explain how the results are to be reached or provide an early indicator of whether the strategy is being implemented successfully. Performance drivers without outcome metrics, on the other hand, may yield short-term operational gains but fail to disclose if those changes have translated into larger business with improved financial performance. [Balancedscorecard.org](http://www.balancedscorecard.org) is the source. Some businesses like to divide the learning and development perspective into two parts: human resources and development. The Balanced Scorecard is more than just a scorecard. The link of environmental and economic performance: Drivers and limitations of sustainability integration. (Barnabè, 2012)

☞ **Financial Perspective**

The BSC maintains the financial perspective because financial metrics are useful in summarizing the easily observable economic repercussions of previous acts. They reveal if a company's strategy, implementation, and execution are positively impacting its bottom line. Profitability (as measured by operating income), return on capital employed (ROCE), and sales growth or cash flow creation are the most common financial measurements. (<http://www.balancedscorecard.org>) Customer Point of View It identifies and measures performance in the customer and market categories where the firm intends to compete. Customer happiness, customer retention, acquisition, and market share are common core/generic measures included in the viewpoint (<http://www.balancedscorecard.org>). The viewpoint should also contain unique value proposition measurements in the relevant market/customer, such as operated-time and on-time delivery, if appropriate.

- ✓ Internal Business Process Viewpoint The interior viewpoint identifies.
- ✓ Deliver the value propositions that attract and retain customers.

- ✓ Satisfy shareholder expectations on financial returns.

The internal measures focus on the processes that have the greatest impact on customer satisfaction and financial objectives. The inclusion of innovation measures in this perspective also gives the organization drivers of long-term financial success as well as short-term operational measures.

☞ **Learning and Growth Perspective**

The learning and growth viewpoint outlines the infrastructure that the company must establish in order to achieve long-term growth and improvement. Businesses are unlikely to reach their long-term customer and internal process objectives with today's technology and capabilities. Furthermore, increasing global competition necessitates that businesses consistently provide value to their consumers and shareholders. People, systems, and organizations all have a role in learning and development processes. Financial, customer, and internal views show deficiencies in people, systems, and processes' capabilities. Businesses need to spend in reskilling personnel, improving IT systems, and aligning organizational procedures to bridge these gaps. Staff happiness, retention, system availability, "front line" customer information, alignment of employee incentives with overall organizational performance criteria, and so on are just a few examples.

(<http://www.balancedscorecard.org>)

2.3.10.5. Key performance indicators (KPI)

Table 3 the following can generalize KPI in balanced scorecard:-

Perspective	CSF	KPI
Financial	- Cost reduction - Asset utilization - Risk management	- Benchmark costs versus competitors - ROI - Percentage of income from new customers - Sales order book
Customer	- Price - Quality - Time	- Benchmark prices versus competitors - Defect rate - Delivery operated times
Internal	- Operational process - After sale process - Employees	- Cycle time - Rectification time - Staff turn over
Innovation and learning	- International learning - Innovation.	- Suggestions implemented - Percentage of income from new products.

The above table shows some general examples of KPIs in balanced scorecard and when dealing with them to deal with performance requires to give due attention for share price as an ultimate measure of corporate performance.(Anand, 2015)

2.3.10.6. Implementing the balances scorecard

A balanced scorecard connects strategy and performance evaluation by combining financial and non-financial performance measures. It is intended to assess performance using indicators that reflect on both what has occurred in the recent past and what is predicted to occur in the future. As with any

performance assessment systems, performance measurement must be done with caution if dysfunctional behavior is not to be induced. If incorrect indicators are chosen, companies may be persuaded to do activities that are not in the best interests of the firm in order to fulfill those indicators. A balanced scorecard comprises four fundamental tasks that must be carried out precisely if the implementation is to be successful:(Taylor, 2012)

- ❖ **Make the strategy explicit:** the organization's strategy must be made explicit and made to form the basis for the scorecard.
- ❖ **Choose the measures:** the performance measures must be aligned with the strategy and the relationships between the measures must be clearly understood.
- ❖ **Define and refine:** performance measures must be put into place so that the scorecard becomes the language of the company.
- ❖ **Deal with people:** above all, people and change management must be properly managed. Taylor, J., & Baines, C. (2012). Performance management in UK universities: implementing the Balanced Scorecard. *Journal of Higher Education Policy and Management*, 34(2), 111-124.

2.3.10.7. Steps in implementing the balanced scorecard

1. Make the strategy explicit

Creating a balanced scorecard begins with establishing the firm's strategic requirements for success. Those strategic needs were often pertain to goods, markets, growth, and resources (human, intellectual, and capital). A company's business strategy might be either product diversification or cost leadership. A strategy may include the acquisition and maintaining of market share.

2. Choose the measures

Performance measurements must be chosen that are clearly related to the achievement of the strategies outlined earlier in the process. It is vital to use proper indicators and metrics. The chosen measures comprise the essential goals that management conveys to employees. Staff was work hard to attain such objectives. If the incorrect goals are chosen, the company may end up doing the wrong things. The main issue is that performance tied to certain elements of the company might lead to dysfunctional behavior. For example, a company may reduce its inventory holdings to fulfill certain inventory holding objectives, but at the price of total operational expenses.(Dimitropoulos, 2017)

3. Define and refine

Management reporting Enterprises with the use of the balanced scorecard was make demands on both the management accounting and IT systems in an organization. Fully satisfying those demands have a cost and sometimes compromises may have to be made in order to contain that cost. All sorts of practical problems may be encountered in reporting on an indicator. For example, when reporting on revenue: (Neville, 2012)

- How is revenue calculated and when is it recorded

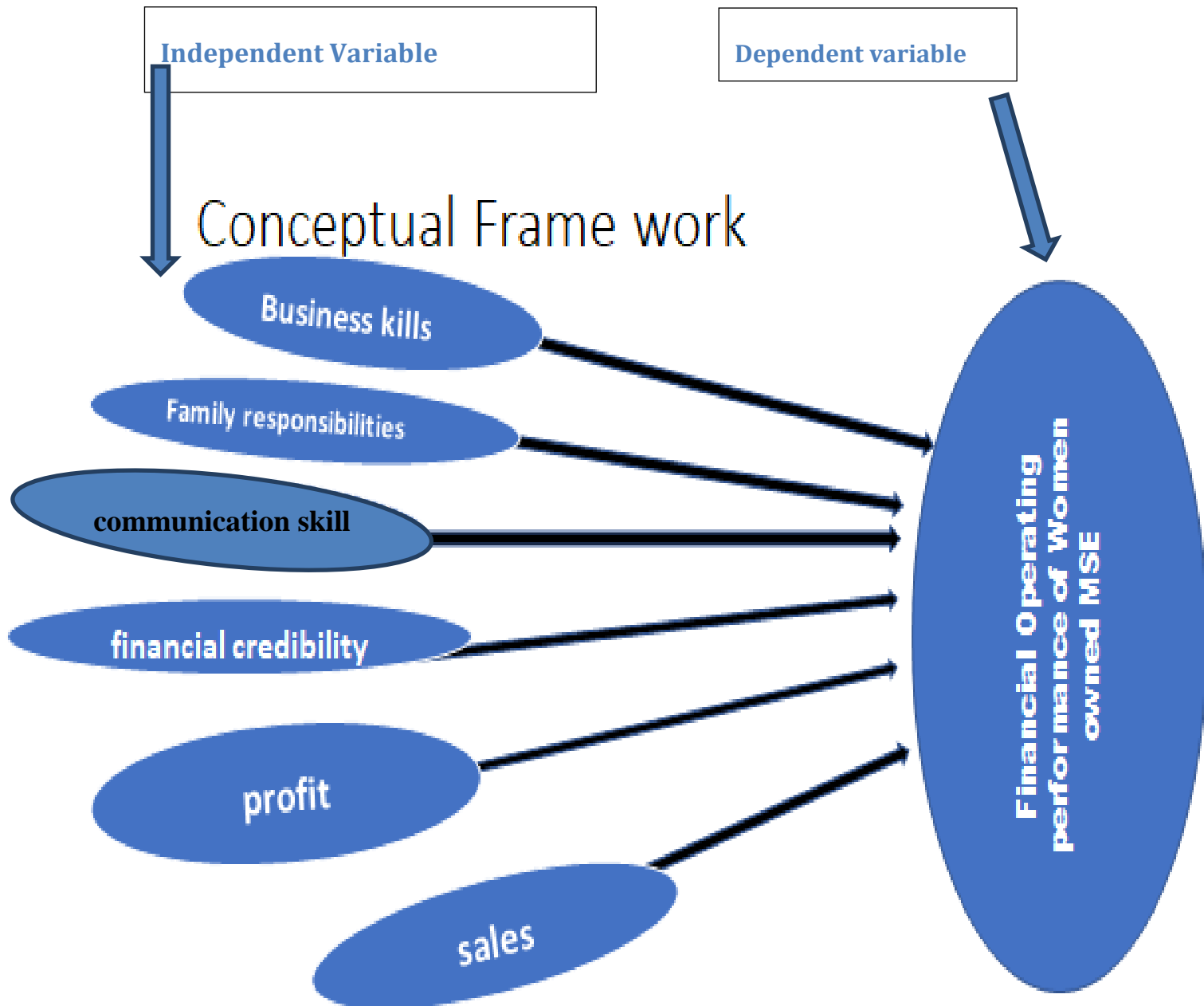
- Should it include the non-core business activity
- Should revenue be reported under product, region or customer headings
- How should interdivisional transactional transactions be reported

4. Deal with people

The balanced scorecard is a training tool for changing human behavior. It is the contact with individuals that decides if it was succeeding or not. Balanced scorecards can quickly become a jumbled mess of metrics, some of which contradict one other. Some of the measures and activities may be too many to achieve, which may lead to the failure of others. Measures are not always prioritized. To be useful, the scorecard's metrics should be few in number, relatively consistent, and placed in some order of priority. Furthermore, performance measurements should be consistent with the organizational structure. Career advancement and pay should be adequately connected to related performance scorecard indicators. Organizations that use a balanced scorecard yet continue to reward performance. (Hubner, 2020)

2.4 Conceptual Frame work

The research's dependent and independent variables, as well as their relationships, are shown in the figure below. Business skills, Family responsibilities, financial credibility, communication skill, profit and sales are some examples of the independent variables. The dependent variable financial operating Performance of women owned micro and small which is the focus on.



3. RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

Using an explanatory research approach, this study looked at how financial and operating performance of women owned MSE's In Jimma Town. To obtain complete information, both descriptive and explanatory types of data were gathered, examined, and applied because the researcher is attracted to describing the existing situation under study. By creating numerical data or data that can be turned into useful statistics based on replies to pre-formulated questions, the study employed a quantitative research technique to quantify the variables.

3.2. Research Approach

In this study a mixed research approach was used the purposive and stratified random sampling approach and both quantitative and qualitative data is to better understand. A research problem by combining both numeric values from quantitative research and the detail of qualitative research

3.3. Data Collection and Sources of Data

In this study primary source of was used which was collected through questionnaires and to get the desired information the researcher was use primary data source. Response rate of 97.6% was achieved.

3.4 Sample Size and Sampling Techniques

The sample size that has been used by the current study was the 345 respondents selected from 5 kebeles in jimma town which are (bacho bore kebele, Mendera kochi kebele, Ginjo guuru kebele, Mentina kebele and sato samero kebele). I was used Multiple-stage sampling technique was used in this investigation a total of purposively selected 5 kebeles. Hence the researcher will uses Kothari sampling formula as follow.

$$n_0 = \frac{z^2 * p * q}{e^2}$$

Where; n_0 = is the sample size,

z = is the selected critical value of desired confidence level ($z = 1.96$ as per table of area under normal curve for the given confidence level of 95%).

p = is the estimated proportion of an attribute that is present in the population, $q = p-1$ and

e = marginal error $\pm 5\%$; - is the desired level of precision Assuming the maximum variability, which is let equal to 5% ($p = 0.125$) and taking 95% confidence level with $\pm 5\%$ precision, the calculation for required sample size were as follows:

$p = 0.023$ and hence $q = 1-0.023 = 0.977$; $e = 0.05$; $z = 1.96$

Therefore; Sample, $n_0 = ((1.96)^2 * (0.23) *(0.977)) / (0.05)^2 = 345.2=345$

So our sample size = 345

No	Name of Enterprise	Marginal error at 5% significance level	P 9the stimated proportion of an attribute value	q=1-p	Z or the selected critical value	$no = \frac{z^2 * p * q}{e^2}$	Samp le size
1	Fakiyaand Fadila	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
2	GudiniHojidhaan	0.05	0.023		1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
3	AbdiGudina	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
4	Ifabadhaadhina	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
5	Zeneba fi Soofiya	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
6	Tayitu,Alemitu and Freinds	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
7	Zaritu,Rozaand samira	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
8	Zara And Hana	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
9	AbdiBoru	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
10	Usniya, Faatiyaand Fadila	0.05	0.023	0.977	1.96	$1.96^2 * 0.023 * 0.977 / 0.05^2$	34.5
Total							345

Table 1; Sample size determination

Source: Kothari (2004)

3.5. Data Processing and Analysis

Data were analysed by Descriptive and inferential statistics using statistical package for social science (SPSS-version 25). Descriptive statistics like tables, frequency, % age and inferential statistics like correlations and multiple linear regression models was employed. A multi regression model which best fits the analysis of the women financial operating performance by micro and small enterprises were employed in the study. The analysis was be carried out using the previously mentioned measurements, and the findings was be interpreted in such a way that they verify or reject the hypothesis presented in the problem statement.

3.6. Multiple Model Regression Analysis

In this study multivariate regression model was used to the financial operating of women owned micro and small enterprises (*the case study jimma town*) by estimating the two models, assess the financial operating of women owned micro and small enterprises (*the case study jimma town*)this study used multiple regression analysis. To financial performance and the financial operating of the independent factors on the dependent variable, the study women owned the multiple linear regression model shown below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where;

- Y= financial operating of women owned micro small Enterprise
- β_0 =The actual MESs financial performance
- X1=Business skills
- X2=Family responsibilities
- X3=profit
- X4=sales
- X5=Communications kills
- X6=financial credibility
- ε = Error term

In the model, β_0 = Constant, β_1 to β_6 = Regression coefficients represent the mean change in the dependent variable for one unit of change in the independent variable while holding other independent variables in the model constant and = Error term which captures the unexplained variation in the model Operationalization and measurement of variables.

3.7, Validity and Reliability

3.7.1 Validity

A test's validity refers to how closely it measures the variables it is supposed to (Lakshmi and Mohideen, 2013). The extent to which an instrument's items cover every important facet of the subject under study is known as content validity. Most of the questionnaires were adapted from earlier studies to retain the instruments' validity, while some were created based on a detailed examination of the literature. To get input from respondents on the validity of the questionnaires, pilot testing was done. After collecting the replies, the questionnaire was then updated. The triangulation of various data obtained through key informant interviews and focus group discussions corroborated the data gathered via questionnaire.

3.7.2 Reliability

Reliability is the extent to which measurements are repeatable when different persons perform the measurements on different occasions under different conditions with supposedly alternative instruments which measure the same thing (Drost, 2011). Reliability is consistency of measurement or stability of measurement over a variety of conditions in which basically the same results should be obtained.

The most popular method of testing for internal consistency in the behavioral sciences is Cronbach's coefficient alpha. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. Gliem and Gliem (2003) provide the following rules of thumb: if " $\alpha > 0.9$ – Excellent, $\alpha > 0.8$ – Good, $\alpha > 0.7$ – Acceptable, $\alpha > 0.6$ – Questionable, $\alpha > 0.5$ – Poor, and $\alpha < 0.5$ – Unacceptable". The table below show the reliability test of the study which is calculated by the coefficient Cronbach's alpha.

CHAPTER 4

RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter contains the findings and analysis of the research study based on the interpretation of the collected data. A total of 345 questionnaires were distributed to the MSEs Principal owners of each of enterprise included in the sample, and 337 questionnaires returned, representing 97.7% percent response rate. From the 337 questionnaires returned, 8 questionnaires are not included in the analysis just because the responses received were incomplete and not relevant for the analysis purpose. The rest of the responses, representing 337 MSEs, were used in the study. The results of the study shows business skills family responsibilities, profit, sales, personal financial credibility and communication skills as the variable related to the financial operating and performance of women owned micro and small enterprises (*the case study jimma town*). In addition respondents demographic and enterprises back ground related data are analyzed In order to clearly get the required information the collected data analyzed by descriptive and inferential ways of statistical tools.

4.1.1. Descriptive analysis

4.1.1.1. Respondent Demographic Profile

The study participants on the survey questionnaire have different personal information; besides these differences, they introduce different responses financial operating and performance of women owned micro and small enterprises (*the case study jimma town*).The following discussion shows these differences. The demographic profile of respondents who participated in this study is shown in Table 4.1 as follows:

Table: 4:1 Respondent Age

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Respondent Age	Valid	20-30	59	17.5	17.5
		31-40	140	41.66	41.66
		41-50	90	26.80	26.80
		51-60	47	13.98	13.98
		< 60	0	0	100.0
		Total	336	99.7	100.0
	Missing	System	1	.3	
Total		337	100.0		

Source: Own survey data 2023

The demographic profile of respondents who participated in this study is shown in Table 4.2

Question		Frequency	Percent	Valid Percent	Cumulative Percent
Marital status	Valid	married	83	24.6	24.7
		Divorced	40	11.9	36.6
		separated	123	36.5	73.2
		Single	55	16.3	89.6
		Widowed	35	10.4	100.0
		Total	336	99.7	100.0
	Missing	System	1	.3	
	Total	337	100.0		
formal education	No		234	69.4	69.6
	Yes		102	30.3	100.0
	Total		336	99.7	100.0
	Missing	System	1	.3	
	Total		337	100.0	
highest level of education	Primary		55	16.3	16.4
	Vocational		111	32.9	49.4
	Secondary		45	13.4	62.8
	Tertiary		125	37.1	100.0
	Total		336	99.7	100.0
	Missing	System	1	.3	
	Total		337	100.0	
I can read and write	NO		50	14.8	14.9
	Yes		286	84.9	100.0
	Total		336	99.7	100.0
	System		1	.3	
	Total		337	100.0	

Source: Own survey data 2023

The output of the table above prove that out 337 respondent on the regard of Marital status majority of the mare 123(36.5%), by the formal education234 (69.4), by the highest level of education125 (37.1%) and those who can read and write are 286 (84.9%). So most of the members of the women enterprise are married, literate and can read and write.

Table 2.3 Research data 2023 on the background women owned enterprise

Question			Frequency	Percent	Valid Percent	Cumulative Percent
who support members of the enterprise	Valid	Husband	35	10.4	10.4	10.4
		son/daughter	131	38.9	39.0	49.4
		Friend	28	8.3	8.3	57.7
		Relative	142	42.1	42.3	100.0
		Total	336	99.7	100.0	
	Missing	System	1	.3		
	Total		337	100.0		
Work experience	No		108	32.0	32.1	32.1
	Yes		228	67.7	67.9	100.0
	Total		336	99.7	100.0	
	Missing	System	1	.3		
	Total		337	100.0		
business registration	No		108	32.0	32.1	32.1
	Yes		228	67.7	67.9	100.0
	Total		336	99.7	100.0	
	Missing	System	1	.3		
	Total		337	100.0		
how do you see your business	Carrier option		105	31.2	31.3	31.3
	Employee purpose		231	68.5	68.8	100.0
	Total		336	99.7	100.0	
	Missing	System	1	.3		
	Total		337	100.0		
Name of the enterprise	Fakiyaand Fadila		32	9.5	9.5	9.5
	GuddinaHojiidhaan		14	4.2	4.2	13.7
	AbdiGudina		33	9.8	9.8	23.5
	Ifabadadina		10	3.0	3.0	26.5
	Zeneba and Sofiya		56	16.6	16.7	43.2
	Tayitu, Alemitu And Us Frends		20	5.9	6.0	49.1
	Zaritu, Roza and Samira		56	16.6	16.7	65.8
	Zara and Hana		36	10.7	10.7	76.5
	AbdiBoru		50	14.9	14.9	100.0
	Usnia, Fatiya and Fadila		29	8.6	8.6	100.0
	Total		336	99.8	100.0	
	Missing	System	1	0.2		
	Total		337	100.0		

Source: Own survey data 2023

The output of the table above shows us that out 337 respondent most of them on the question which say “who support members of the enterprise” responses as Relative 142 (42.1%), on Work experience Majority of the say Yes 228 (67.7%) on weather their business registration or not Yes most of them say 228(67.7%) on how do they see your business almost all say as Employee purpose 231 (%68.5) In addition Respectively the name of enterprisesFakiya and Fedila ,Gudini Hojiddhaan Abdi Gudina ,Zaritu, Roza and samira ,Zeneba And Sofiya, Tayitu, Alemitu and us frends, Ifa badhaadhina ,Abdi boru Zara and Hana, Usniya, Fatiya ,and Fedila respondent responses 32(9.5%), 14(4.2%), 33(9.8%), 10(3.0%), 56(16.6%), 20(5.9%), 56(16.6%) , 36(10.7%) 50(14.9%), 29(8.6%). Which most of the enterprises are engaged in service delivery?

Table 4.4, the research result on the reason women owned enterprise are selected

Question		Frequency	Percent	Valid Percent	Cumulative Percent	
Why did you select the above sector	Valid	Large market size	83	24.6	24.7	24.7
		Short period of return	63	18.7	18.8	43.5
		High role in self-poverty reduction	103	30.6	30.7	74.1
		Other	87	25.8	25.9	100.0
		Total	336	99.7	100.0	
	Missing	System	1	.3		
	Total	337	100.0			
how do you see your business		Not successful	201	59.6	59.8	59.8
		successful	135	40.1	40.2	100.0
		Total	336	99.7	100.0	
	Missing	System	1	.3		
		Total	337	100.0		
how do you define success		reduce cost operation	23	6.8	6.8	6.8
		Increase sale	143	42.4	42.6	49.4
		Increase market	83	24.6	24.7	74.1
		Increase profit	87	25.8	25.9	100.0
		Total	336	99.7	100.0	
	Missing	System	1	.3		
		Total	337	100.0		
How do you think your business was owned in the future		With enhanced quality	136	40.4	40.5	40.5
		With need produced	200	59.3	59.5	100.0
		Total	336	99.7	100.0	
	Missing	System	1	.3		
		Total	337	100.0		

Source: Own survey data 2023

The output of the table above shows us the majority of the respondent responses on the **reason the enterprise select the above sector are due to it has High role in self-poverty reduction 103 (30.6%)**

and **They see you're their business** as successful 135 (40.1%) most of them **define success as** Increase sale 143(42.4%) and **they think business was owned in the future** With need produced 200 (%59.3)

4.1.1.2 Business skills

Table below shows that the response of study participant regarding the financial operating and performance of women owned micro and small enterprises (*the case study jimma town*). The output deal weather the women get training or not and how much the training enables them to be profitable or not on the performance of their business.

Table 4.5; 2023 research Data on the business skill of women owned enterprise

Question		Frequency	Percentage	Valid Percent	Cumulative Percent
The women entrepreneurs possess basic education and can therefore read and write.	Strongly Disagree	135	40.1	40.1	40.1
	Disagree	102	30.3	30.3	70.3
	Neutral	35	10.4	10.4	80.7
	Agree	33	9.8	9.8	90.5
	Strongly Agree	32	9.5	9.5	100.0
	Total	337	100.0	100.0	
The women entrepreneurs have acquired training on business skills.	Strongly Disagree	168	49.9	49.9	49.9
	Disagree	102	30.3	30.3	80.1
	Neutral	35	10.4	10.4	90.5
	Agree	18	5.3	5.3	95.8
	Strongly Agree	14	4.2	4.2	100.0
	Total	337	100.0	100.0	
These business skills enable the women entrepreneurs manage their MSEs effectively.	Strongly Disagree	16	4.7	4.7	4.7
	Disagree	17	5.0	5.0	9.8
	Neutral	202	59.9	59.9	69.7
	Agree	51	15.1	15.1	84.9
	Strongly Agree	51	15.1	15.1	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The output of the table above indicate that out 337 respondent to the question which say “The women entrepreneurs possess basic education and can therefore read and write?” the majority responded by **Strongly Disagree** 135 (40.1%) on question say “The women entrepreneurs have acquired training on business skills?” responded on **Strongly Disagree** 168 (49.9%) and on the question say “These business skills enable the women entrepreneurs manage their MSEs effectively” **Neutral** 202(59.9%). This proves that the women enterprise did not get adequate training and therefore can't effectively manage their business.

4.1.1.3. Family responsibilities

The questions under the table below used to assess how the at home related factors or burden has influence on the small scale enterprise owned and run by the women are affected. It tell us how handle their family responsibility with their enterprise and as they are profitable or not.

Table 4.6, 2023 Research data on the women owned small scale enterprise their family responsibility

Question		Frequency	Percent	Valid Percent	Cumulative Percent
The women entrepreneurs handle both the family and business responsibilities	Strongly Disagree	135	40.1	40.1	40.1
	Disagree	68	20.2	20.2	60.2
	Neutral	68	20.2	20.2	80.4
	Agree	33	9.8	9.8	90.2
	Strongly Agree	33	9.8	9.8	100.0
	Total	337	100.0	100.0	
The women entrepreneurs get support from their families in operating the enterprise and handling household duties.	Strongly Disagree	17	5.0	5.0	5.0
	Disagree	19	5.6	5.6	10.7
	Neutral	68	20.2	20.2	30.9
	Agree	100	29.7	29.7	60.5
	Strongly Agree	133	39.5	39.5	100.0
	Total	337	100.0	100.0	
Most of the women entrepreneurs' time is spent at home rather than in running their MSEs.	Strongly Disagree	150	44.5	44.5	44.5
	Disagree	100	29.7	29.7	74.2
	Neutral	69	20.5	20.5	94.7
	Agree	14	4.2	4.2	98.8
	Strongly Agree	4	1.2	1.2	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The result of the table above indicate out 337 respondent respectively responses Strongly Disagree 135(40.1%), Strongly Agree 133(39.5%) and Strongly Disagree150 (44.5) to the question “The women entrepreneurs handle the family and business responsibilities “, “The women entrepreneurs get support from their families in operating the enterprise and handling household duties.” And “Most of the women entrepreneurs’ time are spent at home rather than in running their MSEs.” This proves that most of the enterprises owned by women are not supported by their family and most of the women spent their time not on the enterprise rather they run their house duties.

4.1.1.4. PROFIT

The major objective of the enterprise is to get profit. The profits of the enterprise are determined over the year performance and capital formation. So the question of the following table used to assess enterprise over time performance.

Table 4.7, 2023 research data on enterprise profit performance

Question		Frequency	Percent	Valid Percent	Cumulative Percent
My profit has increased over the years?	Valid Strongly Disagree	102	30.3	30.3	30.3
	Disagree	84	24.9	24.9	55.2
	Neutral	51	15.1	15.1	70.3
	Agree	67	19.9	19.9	90.2
	Strongly Agree	33	9.8	9.8	100.0
	Total	337	100.0	100.0	
There are a number of factor have contributed my profitability?	Strongly Disagree	118	35.0	35.0	35.0
	Disagree	102	30.3	30.3	65.3
	Neutral	84	24.9	24.9	90.2
	Agree	17	5.0	5.0	95.3
	Strongly Agree	16	4.7	4.7	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The table above indicate out 337 respondent respectively to the profit have increased over the years? And there are a number of factors have contributed my profitability? Responded As Strongly Disagree 102(30.3%) and Strongly Disagree 118 (35.0%). This proves that the jimma Town women owned enterprise has not shown progressive sale profit performance.

4.1.1.5. Sale

The result of the table below shows that how the enterprise is managed and monitored on their sale so as profitable or not. This monitoring activity held by owner of the enterprise Such as how the business expended, what techniques the owner used to monitor, who support the business and the like question are addressed.

Table 4.8.2023 research data on enterprise sale performance

Question		Frequency	Percent	Valid Percent	Cumulative Percent
I you serve more than one market.	Valid Strongly Disagree	133	39.5	39.5	39.5
	Disagree	83	24.6	24.6	64.1
	Neutral	86	25.5	25.5	89.6
	Agree	18	5.3	5.3	95.0
	Strongly Agree	17	5.0	5.0	100.0
	Total	337	100.0	100.0	
I evaluate my sales.	Strongly Disagree	151	44.8	44.8	44.8
	Disagree	84	24.9	24.9	69.7
	Neutral	84	24.9	24.9	94.7
	Agree	11	3.3	3.3	97.9
	Strongly Agree	7	2.1	2.1	100.0
	Total	337	100.0	100.0	
My sales have increased over the years.	Strongly Disagree	69	20.5	20.5	20.5
	Disagree	84	24.9	24.9	45.4
	Neutral	1	.3	.3	45.7
	Agree	50	14.8	14.8	60.5
	Strongly Agree	133	39.5	39.5	100.0
	Total	337	100.0	100.0	
I recommend improving My financial and operating performance of our business.	Strongly Disagree	67	19.9	19.9	19.9
	Disagree	98	29.1	29.1	49.0
	Neutral	38	11.3	11.3	60.2
	Agree	96	28.5	28.5	88.7
	Strongly Agree	38	11.3	11.3	100.0
	Total	337	100.0	100.0	
The government should improve my financial operating.	Strongly Disagree	68	20.2	20.2	20.2
	Disagree	106	31.5	31.5	51.6
	Neutral	29	8.6	8.6	60.2
	Agree	107	31.8	31.8	92.0
	Strongly Agree	27	8.0	8.0	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The output of the above indicate out 337 respondent respectively to the question which say “I you serve more than one market?” ,”I evaluate my sales” ,”The government should improve my financial operating” “I recommend to improve My financial and operating performance of our business” and “My sales have increased over the years? “ responded as Strongly Disagree133 (%39.5), Strongly Disagree151(44.8%), Strongly Disagree69 (20.5%) Disagree 98 (29.1%), Disagree106 (%31.5) which prove the enterprise has no market segment, they are not recommended to improve their enterprise, and sales has not increased as expected.

4.1.1.6. Communication skills

The table below shows the assessment of entrepreneur communication skill. Good communication enhances enterprise profitability and vice versa. So the question under the communication skill deal the extent of member of the entrepreneur listing and speaking to the customer they serve. Due to lack of communication skill how much customer are satisfied with customer and the average daily sale made by the enterprise

Table 4.9 Research data gathering of communication skills of women owned Enterprises

Question		Frequency	Percent	Valid Percent	Cumulative Percent
The women entrepreneurs possess good communication skills including speaking and listening when interacting with their customers.	Valid Strongly Disagree	52	15.4	15.4	15.4
	Disagree	151	44.8	44.8	60.2
	Neutral	84	24.9	24.9	85.2
	Agree	33	9.8	9.8	95.0
	Strongly Agree	17	5.0	5.0	100.0
	Total	337	100.0	100.0	
The women entrepreneurs enjoy more than 50 percent of regular repeat customers because of their ability to properly market their products.	Valid Strongly Disagree	117	34.7	34.7	34.7
	Disagree	51	15.1	15.1	49.9
	Neutral	84	24.9	24.9	74.8
	Agree	60	17.8	17.8	92.6
	Strongly Agree	25	7.4	7.4	100.0
	Total	337	100.0	100.0	
The average daily sales made by the women entrepreneurs are between KHz. 1000 – 5000 due to excellent communication/ marketing skills.	Valid Strongly Disagree	217	64.4	64.4	64.4
	Disagree	36	10.7	10.7	75.1
	Neutral	35	10.4	10.4	85.5
	Agree	26	7.7	7.7	93.2
	Strongly Agree	23	6.8	6.8	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The output of the table above prove that out of 337 respondent respectively responded to the question “The women entrepreneurs possess good communication skills including speaking and listening when

interacting with their customers.”” The women entrepreneurs enjoy more than 50 percent of regular repeat customers because of their ability to properly market their products.” And “The average daily sales made by the women entrepreneurs are between Br. 1000 – 5000 due to excellent communication/ marketing skills” as Disagree 151 (44.8%), Strongly Disagree 117(34.7%) and Strongly Disagree 217(64.4%). This proves that there is no good communication skill and customer satisfaction by the entrepreneur.

4.1.1.7. Personal financial credibility

The output of the table above shows us the how many of the entrepreneur started their business from their personal saving income , How many of them started from loan even after they started their business at what rate they save from their daily income, How the government support the women as source of financial to the enterprise.

Table 4.10; research data gathering on Personal financial credibility women owned enterprise

Question		Frequency	Percent	Valid Percent	Cumulative Percent
More than 70 percent of the women entrepreneurs started their MSEs using personal savings as compared to loans from financial institutions	Strongly Disagree	52	15.4	15.4	15.4
	Disagree	118	35.0	35.0	50.4
	Neutral	134	39.8	39.8	90.2
	Agree	23	6.8	6.8	97.0
	Strongly Agree	10	3.0	3.0	100.0
	Total	337	100.0	100.0	
The women entrepreneurs save between 30 to 50 percent of the money made from their daily sales hence indicating a good saving history.	Strongly Disagree	33	9.8	9.8	9.8
	Disagree	51	15.1	15.1	24.9
	Neutral	51	15.1	15.1	40.1
	Agree	118	35.0	35.0	75.1
	Strongly Agree	84	24.9	24.9	100.0
	Total	337	100.0	100.0	
MFIs in JimmaTown are wasing to loan money to the women entrepreneurs because of their good financial credibility.	Strongly Disagree	185	54.9	54.9	54.9
	Disagree	52	15.4	15.4	70.3
	Neutral	51	15.1	15.1	85.5
	Agree	26	7.7	7.7	93.2
	Strongly Agree	23	6.8	6.8	100.0
	Total	337	100.0	100.0	

Source: Own survey data 2023

The output of the table above indicate out 337 respondent respectively too the question which say “More than 70 percent of the women entrepreneurs started their MSEs using personal savings as compared to loans from financial institutions”, “The women entrepreneurs save between 30 to 50 percent of the

money made from their daily sales hence indicating a good saving history.” And “MFIs in Jimma Town are using to loan money to the women entrepreneurs because of their good financial credibility.” Responded as Neutral 134 (39.8%), Agree 118(35%) Strongly Disagree 185 (54.9%). On this prove the member of the entrepreneur are not started their enter Enterprise from their personal saving. On the other hand they save their income to their saving account. The Jimma Town Finance bureau supports the enterprise in their Jurisdiction.

4.2. Inferential Analysis

4.2.1. Data Normality test

Table 4.11; 2023 Research data gathering on women owned enterprise of normality test

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Business skills	.238	337	.000	.862	337	.000
Family responsibilities	.144	337	.000	.941	337	.000
profit	.166	337	.000	.885	337	.000
sales	.182	337	.000	.898	337	.000
Communication skills	.189	337	.000	.872	337	.000
Personal financial credibility	.122	337	.000	.956	337	.000
FOPWOMSE	.122	337	.000	.934	337	.000

a. Lilliefors Significance Correction *Source: Own survey data 2023*

The above table presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. We Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples) but can also handle sample sizes as large as 2000. For this reason, we were use the Shapiro-Wilk test as our numerical means of assessing normality. If $p < 0.05$, reject the H_0 because the test is significant. In our survey result $p < 0.05$ due to these we reject H_0 and accept H_A .

4.2.2. Multi-co-linearity test

Multi-co-linearity is viewed here as an interdependency condition. It is defined in terms of a lack of independence, or of the presence of interdependence – signified by high inter correlations within a set of variables, and under this view can exist quite apart from the nature, or even the existence of a dependency relationship between X and a dependent variable Y. Multi-co-linearity is not important to the statistician for its own sake. Its significance, as contrasted with its definition, comes from the effect of interdependence in X on the dependency relationship whose parameters are desired. Multi-co-linearity constitutes a threat -- and often a very serious threat -- both to the proper specification and to the effective estimation of the type of structural relationships commonly sought through the use of regression techniques.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF	
1	(Constant)	.000		1.210	.227	.000	.001			
	Business skills	.166	.002	.146	80.820	.000	.162	.170	.046	1.583
	Family responsibilities	.203	.003	.186	79.686	.000	.198	.208	.028	3.896
	Profit	.138	.001	.165	102.320	.000	.136	.141	.058	1.138
	Sales	.159	.001	.188	108.581	.000	.156	.162	.051	1.708
	Communication skills	.155	.002	.164	75.620	.000	.151	.159	.032	3.940
	Personal financial credibility	.179	.002	.175	91.323	.000	.175	.183	.041	2.145

a. Dependent Variable: FOPWOMSELG

Source: Own survey data 2023

Table 4.12; Research Data Gathering on Multi co linearity test

If tolerance is more than 0.2 and variance inflation factor (VIF) less than 10 there is no Multi-co-linearity problem. So the result of the above table results show tolerance greater than 0.2 and VIF less than 10 and it is no Multi-co-linearity problem. Thus based on the SPSS data analysis out put all independent variable output has positive relation to the dependent variable. As explained here under

- when the enterprise business skills increase .166 the financial operating and performance of women owned micro and small enterprises also impressed by .166 unit of unit of measurement
- on the same enterprises family responsibilities.203financial operating and performance of women owned micro and small enterprises also impressed by .203 unit of unit of measurement
- when enterprise profit increase .138financial operating and performance of women owned micro and small enterprises also impressed by .138 unit of unit of measurement
- when enterprise sales increase by .159 unit the usage financial operating and performance of women owned micro and small enterprises also impressed by .159 unit of unit of measurement
- when enterprise communication skills increased by .155percent financial operating and performance of women owned micro and small enterprises also impressed by .155 unit of unit of measurement
- when the enterprise personal financial credibility increase by.179unit financial operating and performance of women owned micro and small enterprises also impressed by .179 unit of measurement

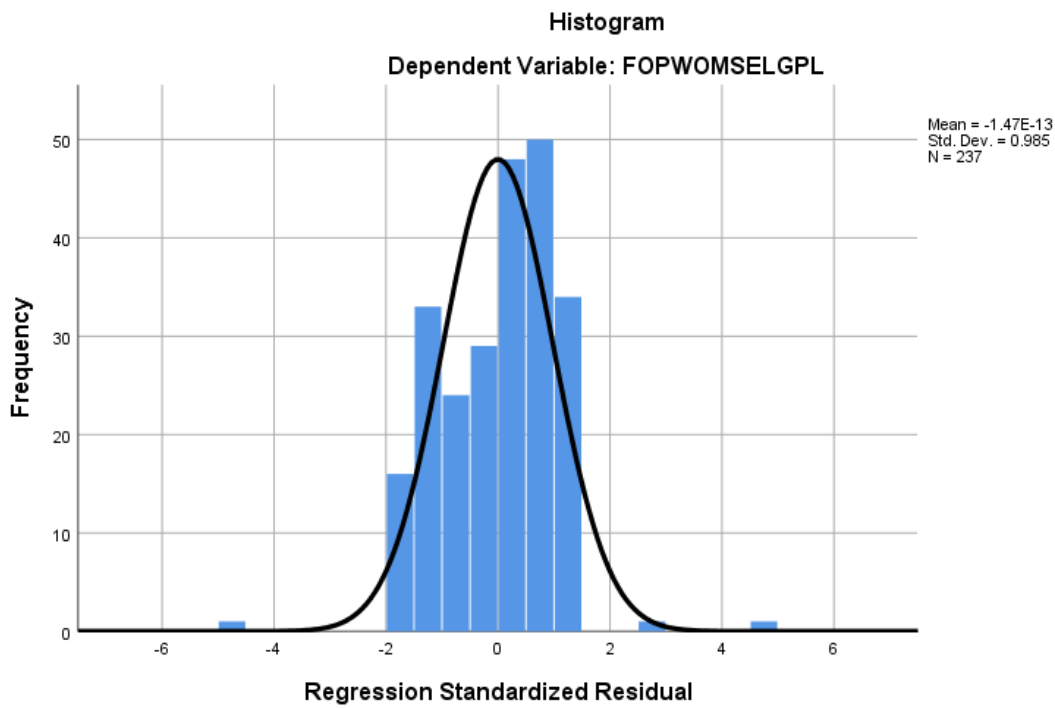


Figure 1; 2023 research data collection of regression standardize residual on women owned enterprize

This indicate that most of the respondent are under the level of significant

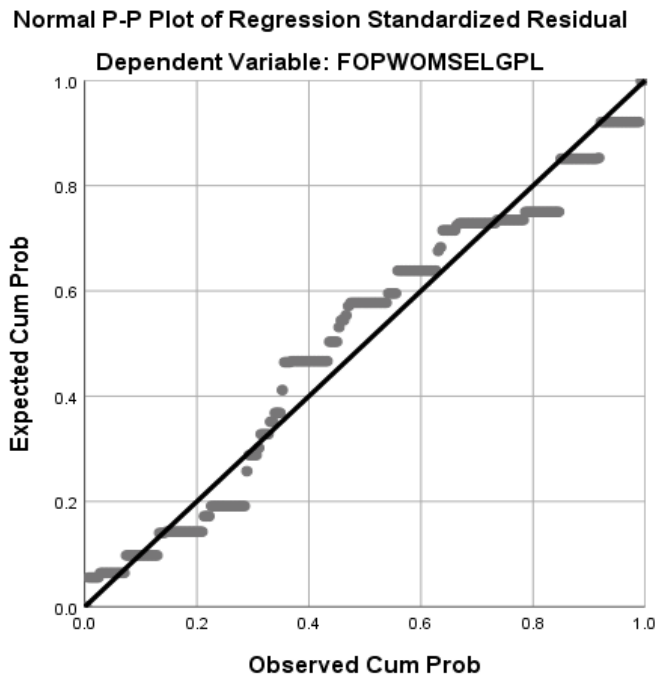


Figure 2; 2023 research Data gathering of linearity test on women owned enterprize

The figure above shows us with the emption of the few respondents all most all fit the normality of data distribution

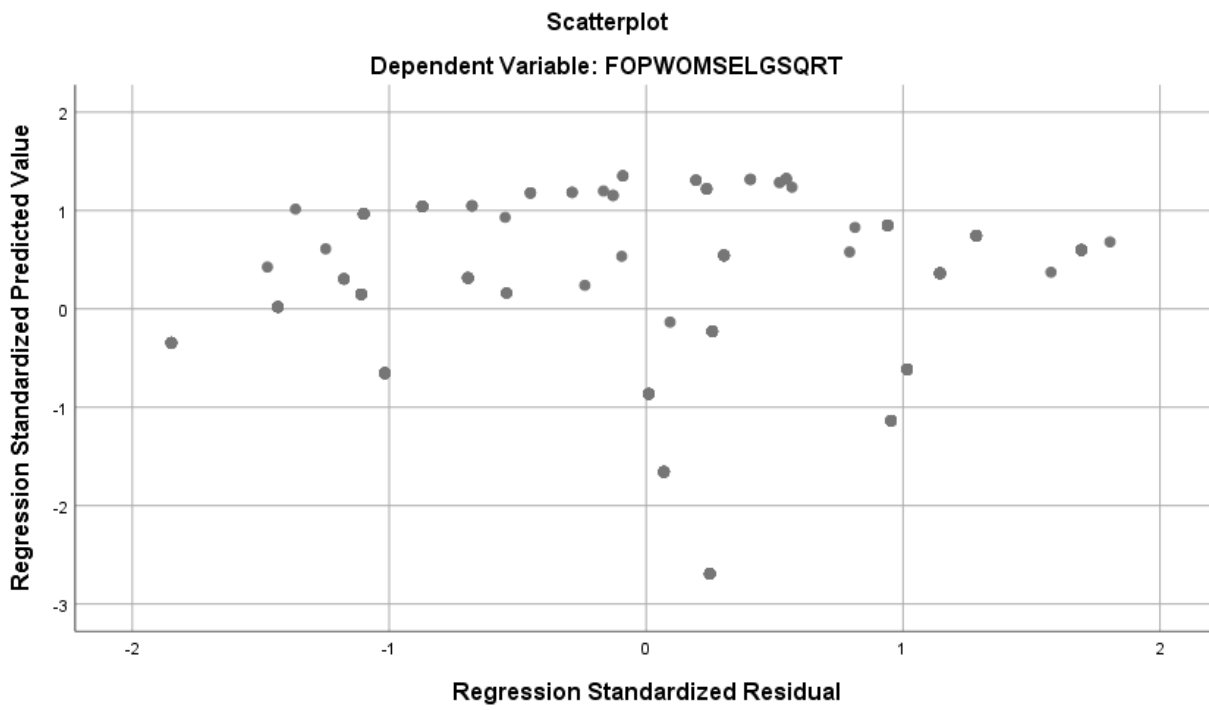


Figure 3; 2023 research data gathering of homo scadesity relation on enterprise

The table above shows that the study data collection has no Hetroscadecity problem.

Chapter Five

Research Finding, Conclusion and Recommendation

5.1. Research Finding

The finding of study implies that business skills family responsibilities, profit, sales, personal financial credibility and communication skills had positive and statistically significant financial operating and performance of women owned by MSEs in jimma town.

The researcher employs both explanatory and descriptive, statistical data analysis approaches to the **financial operating and performance of women owned micro and small enterprises (*the case study jimma town*)**. The researcher also examines the demographics, proposed factors, and women owned enterprise by employing descriptive analytic techniques. In terms of statistical analysis, the researcher examines the variables utilizing statistical analysis methods including regression analysis, multi-co-linearity test, linearity test, normalcy test, and test for correlation coefficients.

The output us that out 337 respondent most of them on the question which say “who support members of the enterprise” responses as Relative 142 (42.1%) , on Work experience Majority of the say Yes 228 (67.7%) on weather their business registration or not Yes most of them say 228(67.7%) on how do they see your business almost all say as Employee purpose 231 (%68.5)

In addition Respectively the name of enterprises Fakiya and Fedila ,Gudini Hojidhaan Abdi Gudina ,Zaritu, Roza and samira ,Zeneba And Sofiya, Tayitu, Alemitu and us frends, Ifa badhaadhina ,Abdi, Zara and Hana ,Boru, Usniya, Fatiya, and Fedila respondent responses 32(9.5%), 14(4.2%), 33(9.8%), 10(3.0%), 56(16.6%), 20(5.9%), 56(16.6%) , 36(10.7%) 50(14.9%), 29(8.6%). Which most of the enterprises are engaged in service delivery.

If tolerance is more than 0.2 and variance inflation factor (VIF) less than 10 there is no Multi-co-linearity problem. So the result of the above table results show tolerance greater than 0.2 and VIF less than 10 and it is no Multi-co-linearity problem. Thus based on the SPSS data analysis out put all independent variable output has positive relation to the dependent variable

5.2 Conclusion

- The output of data analysis respondent on the regard of Marital status and level of education majority of the most of the members of the women enterprise are married, literate and can read and write and Respondent most of them Supported by their Relative and most of the women owned enterprise has no none registration problem. In addition the women owned enterprise are organized for Employee purpose. Most of the women owned enterprise are engaged in service delivery. the majority of the respondent responses the women owned enterprise are selected because of it is **High role in self-poverty reduction** the owner also see their business as **successful** and most of them **define success as Increase sale**.

- The women enterprise did not get adequate training and therefore can't effectively manage their business. The most of the enterprise owned by women are not supported by their family and most of the women spent their time not on the enterprise rather they run their house duties. The Jimma Town women owned enterprise has not shown progressive sale profit performance and The Enterprise has no market segment, they are not recommended to improve their enterprise, and sales have not increased as expected. There is no good communication skill and customer satisfaction by the entrepreneur.

5.2. Recommendation

Based on the research findings, the researcher recommends the following points so as to enhance financial operating performance of women owned micro and small enterprises (*the case study jimma*): Therefore the study recommends the following points so that The data collected form the sampled women operated MSEs reflected the higher extent of operating at breakeven.

- ☞ Women operating their own business only push it to the extent it can generate enough amount that would assist them support their family.
- ☞ This limited scope they have for their enterprises is not intentional but is also the result of wide range of cultural, financial, business related obstacles.
- ☞ Most operators do not have assets that can be used as collaterals. Due to this reason they are forced to reduce their savings and amounts that may be used to support their family. For operators to increase their capital, loan providers such as MFI and Commercial Banks should device a way of providing them with funds that may be used to expand their business. Trainings provided to operators should be made on sector basis.
- ☞ Trainings, when availed to operators, should have a clear relationship with the enterprises whose owners attend those trainings. Most Of the members of the Women Enterprise Are Married, Literate and Can Read and Write though they are required to support their business by computerized system.
- ☞ Most of the women enterprise is supported by their relative. So it should support by all class of society even the government recommends to regulate effective rule and regulation on women owned enterprise. Most of the women owned enterprise are engaged in service delivery. They are recommended to productive activities of work. The government and the stock holder of enterprise give due attention on women owned enterprise from awareness creation up to income generation.
- ☞ The women enterprise did not get adequate training and therefore can't effectively manage their business. One of the major problems associated with MSE is their limited knowledge of keeping books of accounts. This makes proper evaluation of their performance very difficult, if not impossible.

- ☞ The government and all other concerned parties should assist operators, through a proper and continual training, to keeping record of their operation.
- ☞ The government, hand-in-hand with all concerned parties should properly promote women operated enterprises and their outputs.
- ☞ This may be done through the use of public media through which operators may be allowed to introduce their outputs. This would enable them cover wider markets and enhance their profitability.
- ☞ Generally, with due emphasis on the aforementioned points efforts to improve the operating and financial performance of women operated MSEs should not be left to operators themselves but should also be taken, by the government and other concerned parties, a responsibility that requires attention and priority.

5.1.1, Limitations and Further Research Areas

This study was conducted to explore **financial operating and performance of women owned micro and small enterprises** (*the case study jimma town*) hence, the following could be considered for future research:-

- ❖ The study **financial operating and performance of women owned micro and small enterprises** (*the case study jimma town*) extended to a more comprehensive study that incorporate upcountry (Outside of the region).
- ❖ The study can also be extended to include all other enterprise so that the findings can be useful to conclude about financial performance enterprise in Ethiopian context.

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Appendix

JIMMA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF ACCOUNTING AND FINANCE

Questionnaire on the research:

The Financial and operating performance of women owned MSEs (A case study in Jimma town).

Introduction:- I am a final year Accounting and Finance(MSC) student at the jimma University. a partial fulfillment of the program, I am conducting a study on the financial and operating performance of women ownedMSEs. The purpose of this questionnaire is to better understand the operating and financial performance of these enterprises over the past five years. The results was be used to assist policy makers, academicians and other interested parties develop a good understanding of how women owned MSEs are performing. The questions are designed in a manner that can be dealt with easily and the corresponding answers werebeing kept strictly confidential. People with access to the answers are those related with the study and answers was be combined anonymously with all the other information collected to form a report

Part one: General Information

1.1. Age: 25-30 31-40 41-50 51-60 Above 61

1.2. Marital Status Married Divorced Separated Single Widowed

1.3. Do you have any formal education? Yes No

1.4. If 'Yes' to 1.4 what is your highest level? Primary Vocational Secondary

Other, specify _____

1.5. If 'No' to 1.4 can you read and write? Yes No

1.6. If 'No' to 1.5 who helps you run your business? Husband Son/daughter Friend

Relative Other, specify _____

1.7. _____ No

1.8. Is your business registered with trade and industry?

1.10 How do you see your business? Employment purpose Carrier options other, specify

Part Two: Business Level

2.1 Name of the enterprise _____-

2.2 Type of sub-sector _____

Textile and Garment Construction Food processing Municipal activity Wood and
mental works other, specify _____

2.3. Why did you select the above sub sector? A, Large market size for products. B, Short period of
return over investment. C, High role in self-poverty reduction. D, other, specify

2.4. Who helped you with information to select the above (shown under 2.2) sub sector A, No one
(myself) Relative Husband C, Friends D, Others specify _____

2.5. How do you see your business? Profitable Helps support the family Satisfying
Other, specify _____

2.6 How do you evaluate your business? Successful Not successful

2.7. If your answer to 2.6 is successful how do you define success? Reduced cost of operation
Increased sales Increased market increased profit Increased customer other,
specify _____

2.8. How do you think your business was owned in the future? With expansion
Increase potential to support family with enhanced quality with new product with new product
other, specify

2.9. What factors, in your opinion, was hinder your business from achieving the above
Objective? Premise issue Market issue Finance issue Training issue
Employee (labor) issue Policy issue Competition Other, specify _____

2.10. Do you think the current place you are running your business from is adequate enough? Yes
No

2.11. How is the working premise of your business held up? Owned Related Other,
specify _____ Family house

Part II: Please indicate the following by ticking (√) on the spaces in front of the response options: Below are lists of statements pertaining to financial operating of women owned micro and small enterprises (*the case study jimma town*)

Please indicate by circling your choices from the options that range from strongly agree to strongly disagree.

A Strongly Disagree (SD) 2-Disagree (D) 3- Neutral (N) 4- Agree (A) 5- Strongly Agree (SA)

No	Question	SD	D	N	A	SA
	Business skills					
1.	The women entrepreneurs possess basic education and can therefore read and write.					
2.	The women entrepreneurs have acquired training on business skills.					
3.	These business skills enable the women entrepreneurs manage their MSEs effectively.					
	Family responsibilities					
4.	The women entrepreneurs handle both the family and business responsibilities					
5.	The women entrepreneurs get support from their families in operating the enterprise and handling household duties.					
6.	Most of the women entrepreneurs' time is spent at home rather than in running their MSEs.					
	PROFIT					
7.	My profit has increased over the years?					
8.	There are a number of factor have contributed my profitability?					
	SALES					
9.	I you serve more than one market?					
10.	I evaluate my sales?					
11.	My sales have increased over the years?					
12.	I recommend to improve My financial and operating performance of our business					
13.	The government should improve my financial operating					
	Communication skills	SD	D	N	A	SA

14.	The women entrepreneurs possess good communication skills including speaking and listening when interacting with their customers.					
15.	The women entrepreneurs enjoy more than 50 percent of regular repeat customers because of their ability to properly market their products.					
16.	The average daily sales made by the women entrepreneurs are between KHz. 1000 – 5000 due to excellent communication/ marketing skills.					
	Personal financial credibility					
17.	More than 70 percent of the women entrepreneurs started their MSEs using personal savings as compared to loans from financial institutions.					
18.	The women entrepreneurs save between 30 to 50 percent of the money made from their daily sales hence indicating a good saving history.					
19.	MFIs in jimma town are wising to loan money to the women entrepreneurs because of their good financial credibility.					

Part Three: Performance (General)

No	Question	Yes	No
1.	Are there any socio-cultural factors affecting your financial and operating performance?		
2.	Are there any regulatory constraints affecting your financial and operating performance?		
3.	Do you think the sub-sector you selected has got its implication on your current level of financial and operating performance?		
4.	Does gender has an impact on your financial and operating performance?		
5.	Have you taken any training on how to diversify your products/services?		
6.	What kind of business strategy do you follow?		
7.	Do you think the strategy selected has got its own impact on your current operating and financial performance?		
8.	Do you have any standard for products you provide?		
9.	Do you think your competitiveness have increased during the previous years?		
10.	Do you think you are operating at an increased activity level compared to previous years?		
11.	In your opinion do you think there is an improvement in your efficiency?		