

**EXTERNAL FACTORS AFFECTING THE PERFORMANCE OF
WOMEN ENTREPRENEURS IN JIMMA TOWN**

***A THESIS SUBMITTED TO GRADUATE STUDIES OF JIMMA
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Statement of Declaration

I declare that the thesis entitled to “**External Factors Affecting the Performance of Women Entrepreneurs in Jimma Town**” submitted to Research and Postgraduate Studies’ Office of Business and Economics College, has been carried out by me under the guidance of Dr. Zerihun Ayenew (PhD) and Mr. Mohammed Yassin (MBA). The thesis is original and has not been submitted for the award of degree of diploma in any university.

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External Factors Affecting the Performance of Women Entrepreneurs
(A Case Study of Jimma Town)

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Table of Contents

Contents

Statement of Declaration	ii
Certificate	iii
Approval Sheet.....	iv
Table of Contents	v
Acknowledgment	Vii
List of Tables	VIII
Acronyms/Abbreviations	IX
Abstract	x
CHAPTER ONE	1
INTRODUCTION.....	1
1.1. Background of the study	1
1.2. Statement of the Problem.....	3
1.3.1 General Objective	5
1.3.2. Specific Objectives	5
1.4. Significance of the study.....	6
1.5. Scope of the Study	7
1.6. Organization of the Study	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.1.1 Meaning and definitions of MSE.....	8
2.1.2 Overview of MSE in Ethiopia	9
2.1.3 The Benefits of MSEs	10
2.2.1 Factors Affecting the Performance of Women Entrepreneur in MSEs	13
2.2.1.1 Economic Factors	14
2.2.1.2 Social Factors	17
2.2.1.3 Legal Factors.....	17
2.2.1.4 Characteristics of Women Entrepreneurs and their Enterprise	18
2.2.1.5 Supports for Women Entrepreneurs.....	18
Conceptual frame work.....	20
The following conceptual framework adopted from Mulugeta (2010).....	20
CHAPTER THREE	22
RESEARCH DESIGN AND METHODOLOGY.....	22
3.1 Research Design	22
3.2 Data and their sources	23
3.3 Sampling Design.....	23
3.3.1. Target population of the Study	23
3.3.3. Sampling Technique	24

3.4	Methods of data gathering Instruments	25
3.5	Method of Data processing and analysis	26
3.5.1	Data Processing	26
3.5.2.	Methods of Data Analysis	26
•	Model specification	27
3.6	Ethical considerations	27
CHAPTER FOUR	28
DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS	28
4.1.	Descriptive analysis and Presentation	28
4.1.1.	Descriptive Analysis of Characteristics of Women Entrepreneurs in MSEs in JimmaTown ...	28
4.1.2.	Descriptive Analysis External Factors Affecting Women Entrepreneurs Performance.....	33
4.1.3.	Women Entrepreneurs' Performance Measure	38
4.2.	Inferential Analysis	39
4.2.1.	Chi-square test	39
4.2.2.	Uni-variable Regression Analysis.....	40
4.2.3.	Multivariable logistic regression.....	41
a)	Hosmer and Lemeshow model fit test	41
	Which variable more predicts the performance of women entrepreneurs?	42
CHAPTER FIVE	48
SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	48
5.1	Summary of findings.....	48
5.2	Conclusions	49
5.3	Recommendations.....	50
References	52
APPENDIX	60

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List of Tables

Table 3. 1: Proportionate sample size from each stratum	25
Table 4. 1: Distribution of sample respondents by age and marital status	28
Table 4. 2: Distribution of sample respondents by educational level and family size.....	29
Table 4. 3: Distribution of sample respondents by category of business they run and business sectors....	30
Table 4. 4: Source of start-up fund and legal ownership status of sample respondents.....	31
Table 4. 5: Skill source and business experience of sample respondents.....	32
Table 4. 6: Economic factors that affect the performance of women entrepreneurs in MSEs.....	33
Table 4. 7: Social factors that affect women entrepreneurs' performance.....	34
Table 4. 8: Legal and administrative factors that affect women entrepreneurs' performance in MSEs.....	36
Table 4. 9: Support from Entrepreneurial Development Agency.....	37
Table 4. 10: Perceived Profitability of the Respondents.....	38
Table 4. 11: Chi-square test result.....	39
Table 4. 12: Uni-variable Regression Analysis.....	40
Table4. 13: Hosmer and Lemeshow Test.....	41
Table 4. 14: Model Summary	42
Table 4.15 Variables in the Equation	43

Acronyms/Abbreviations

CSA	Central Statistical Agency
MoTI	Ministry of Trade and Industry
MSEs	Micro and Small Enterprises
ILO	International Labour Organization
TVET	Technical and Vocational Educational and Training
SPSS	Statistical Package for Social Science
COR	Crude Odds Ratio
GEM	Global Entrepreneurship Monitor
BDS	Business and Development Services

Abstract

In developing countries like Ethiopia, the contribution of women entrepreneurs involved in small business is significant. With same expectation, a number of small businesses have been started by women in Jimma town. However, some have liquidated and died out while others still continue staggering because their performance is determined by many multifaceted factors associated to the person, the business, and external to the business. This study was aimed to examine external factors affecting their performance in Jimma Town. Specifically, the factors that were taken into consideration were economic, social, legal, and support. The study was framed in the form of both descriptive and explanatory research design. Both primary and secondary data were used. The source of primary data was 340 sampled women entrepreneurs. This sample size was statistically determined and stratified into manufacturing, urban agriculture, construction, trade, and service sectors. The final selection was done using systematic random sampling from the given sample frame. To analyze the data both descriptive and inferential statistics with the support of Statistical Packages for Social Sciences (SPSS version 20) were used. Concerning descriptive statistics, frequency and percentage were applied. As for inferential statistics, crude odds ratio (COR) for logistic regression was computed. The findings show that limited support in terms of economic factors like loan arrangement, access to market, information and inflations determine entrepreneurial performance. Social factors such as social acceptability, prejudice or social bias, attitude and gender roles also determine the performance of women entrepreneurs. Hence in order to enhance the performance of women entrepreneurs in MSEs, government organizations and other concerned bodies should facilitate better economic and social conditions in the city for women entrepreneurs to operate to the best their capacity and thereby contribute not only to the livelihood of themselves but also to the economic development of the city and the country at large.

Key words: *Women Entrepreneurs; MSEs; Economic factors; Social factors; legal factors, entrepreneurial support*

CHAPTER ONE

INTRODUCTION

This part of the study encompasses background of the study, statement of the problem, objectives of the study and significance of the study, scope of the study, and organization of the study.

1.1. Background of the study

The French rooted word Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. A woman entrepreneur is an adult who owns and runs an enterprise, especially a commercial one, often at personal financial risk. The International Liberation Organization defined the women's enterprise as a small unit where one or more women entrepreneurs have not less than 50 per cent financial holdings. Women entrepreneurs face a series of problems right from the beginning till the enterprise functions. Being a woman itself poses various problems to a woman entrepreneur, the problem of women pertains to her responsibility towards family, society and work (Goyal, 2015).

Women are the pillars of economic expansion in many developing states. Global Entrepreneurship Monitor (GEM) reports that women entrepreneurs generate jobs, wealth and innovation across 37 countries surveyed. In many of these countries the rate of growth of women creating new business is greater than the rate of growth for men entrepreneurs (Reynolds et al., 2002).

Women constitute more than half of the total world population. While in the traditional societies, they were confined to performing household activities in modern societies, they have come out to participate in all sorts of activities. Women have ventured in different spheres of activities such as academics, politics, social work and they have started running their own enterprises. Therefore, it is appropriate to study the causes of poor performance among women entrepreneurs.

Generally, women entrepreneurial ventures are smaller than that of their male counterparts in terms of sales, revenue and assets. Recent evidence from the United States suggests that on average men

entrepreneurial ventures are twice as large as women entrepreneurial ventures in terms of both sales and assets (Coleman, 2007). It has also been shown that on average employer-firms owned by women generate only 78 percent of the profits generated by comparable male owned businesses (Robb and Wolken, 2002). Also, women have been found to generate less sales turnover relative to men, even in same industry comparisons (Loscocco and Robinson, 1991).

Winn (2004) examines some of the decision making factors and socio-personal constraints that affect women entrepreneurship globally. Despite the increased gender parity in the workforce today, few women attain management positions at the top in large corporations. Policy-makers and educators who are interested in increasing women in the executive ranks need to understand the interaction between family and career aspirations in order to properly guide those who choose business leadership positions. Unless one can put the business/family interface into perspective, one cannot remove the barriers that women encounter as they pursue their careers. Similarly, Jamali (2009) examines the reciprocation of constraints and opportunities affecting female entrepreneurship in developing countries. The paper adopts an integrative research design with multiple levels and an interpretive research methodology, focusing on in-depth interviews with ten women entrepreneurs to explore their perceptions and interpretations of constraints and opportunities facing female entrepreneurship. The findings presented in his paper clearly illustrate the relevance of micro- and macro-level factors in entrepreneurship research and the usefulness of integrating multiple lens and units of analysis to capture the complexity of the women entrepreneurship experience in any particular context.

Sarbapriya and Ishita (2011) while describing about the status of woman entrepreneurs in India, they stated that women entrepreneurs face problems in setting up and managing their own businesses in the competitive world of business environment. Actually, there are significant differences between women entrepreneurs and the men entrepreneurs on ground of perseverance, potentiality and ability to work hard, as well as the abilities specific to emotional intelligence. At last, some general measures have been suggested to encourage women entrepreneurship in India.

Goyal and Parkash (2011) studied the motive for women to become entrepreneurs, and their performance in Ludhiana, India in order to come up with suggestions promoting women entrepreneurship in India. The study is concluded with the opinion that efforts are being taken to

fulfil the promise equal opportunity in all spheres to the Indian women and guaranteeing equal rights of participation. But unfortunately, the government sponsored development activities have benefited only a limited section of women i.e. the urban middle class women.

Lathwal (2011) identified the major problems of women entrepreneurs in Delhi with the objectives of analyzing the various problems and suggesting remedial measure which will enhance women Entrepreneurship in the city. Successful women entrepreneurs were observed mostly among the mid thirty and early forty age group. The government schemes, incentives and subsidies have inspired and provided support measures to women entrepreneurs in and around the city. In this research, it was found that the majority of women came from a family business background and they were mostly married to business families. Thus, the business environment helped them to get prepared mentally, therefore helping them to easily enter into business. Also, Kumbhar and Kumbhar (2011) discuss several problems faced by women entrepreneurs like start up finance, access to technology, management and marketing skills and lack of confidence. Although there are a number of entrepreneurs organized in Jimma Town, there is limited information pertaining to the performance of women entrepreneurs and associated factors affecting the performance of women entrepreneurs in MSEs. Therefore, the present study entitled “factors affecting the performance of women entrepreneurs in MSEs-the case of Jimma Town” is proposed.

1.2.Statement of the Problem

Entrepreneurship is generally considered as an important driver of economic growth, productivity, innovation and employment. Until very recently most enterprises were owned and run by men and it is only after 1980 that women started to own businesses (ILO, 2016). Survey conducted by CSA (2015) on Small Scale Manufacturing Industries indicates that the sector can help transform the economy from agrarian-based to manufacturing-led, increasing agricultural productivity, reducing urban unemployment, and stimulating trade and construction. According to the Ethiopian Central Statistics Authority (2004), almost 50% of all new jobs created in Ethiopia are attributable to small businesses and enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women.

As per preliminary assessment made by a student researcher there are a number of businesses started by women in Jimma Town. However, there is no evidence to date that they are enhanced from small scale to medium and large scale entrepreneurs. Very few are successful, some have died very shortly while large number of them have been staying the same for long time for future unknown future fate. Why such variation could happen among them is the critical question that needs to be answered.

More has been said in many literatures that their success or failure could be related to the extent to which accessibility to finance, available managerial skills, lack of Education and training, scanty market information, government policies and regulations and also market competitiveness by SMEs in developing countries are some of the major challenges that leads to failure in growth of most SMEs.

To contextualize the issues to Ethiopian, Andualem Gezahegn et al. (2015) studied with regards to the aforementioned question by targeting Arba-Minch Town of Ethiopia and the findings showed that firms' initial size, firms' year of operation, market information, usage of business plan and involvement in social networking had a statistically significant impact on firm success. While no statistically significant association was found with owners/managers entrepreneurial trait and access to training. Gebremariam (2017) employed secondary sources to identify factors that challenge the growth of women-operated Micro and Small Enterprises (MSEs) in Ethiopia and the author stated that, in developing countries like Ethiopia, female entrepreneurs are facing various challenges in their day-to-day lives just because of their gender. Financial problems, lack of managerial and entrepreneurial skills, workplace and marketing problems, inadequacy of infrastructural facilities, unpredictable supply of raw materials are among the problems they face. An enterprise based cross sectional study was done using both quantitative and qualitative methods in three purposively selected districts/towns of Jimma Zones namely Agaro, LimuKossa, and Shebe Sombo (Shabudin et al., 2016). Their finding revealed that majority of the entrepreneurs also identified enterprise density, lack of access to appropriate technology, lack of access to finances, inappropriate location which is specially not controlled directly by themselves, inflation, unfavorable market condition and business environment and prior experiences as the major roadblocks inhibiting the flourish of their competencies.

Although all these stated variables are classified as variables related to person, the firm itself, and external to the firm but dynamic effect on women entrepreneurial performance, this study focused on factors external the firm. Solving these ‘challenges demand+ and in depth analysis of the factors that limit the performance of women entrepreneurs Jimma Town. Studies conducted in different countries are partly acknowledged as they can offer some lessons about factors in Jimma Town. Using them for contextual decision as they are in Jimma Town would be missing the context. Therefore, studies that sense contextual manifestation is considered important. However, no research has yet been conducted in the study area to ratify the fact on the ground. Therefore, this study intends to describe the effect of external Factors such as Economic, Social, Legal and Administrative and support Micro and small Enterprises on the performance Women entrepreneurship.

In order to approach the problem in concise and understandable manner, it is written in the form of basic research questions:

- What is the effect of Economic factors on the performance of women entrepreneurs in Jimma town?
- What is effect of social factors on the performance of Women entrepreneurs in Jimma Town?
- What is the effect of legal factors on the performance of women entrepreneurs in Jimma Town?
- What is the effect of the support of micro and small enterprise agency on the performance of women entrepreneurs in Jimma Town?

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to explain the effect of external factors on the performance of women entrepreneurs in Jimma Town.

1.3.2. Specific Objectives

More specifically the study intended:

- To explain the effect of economic factors on the performance of women entrepreneurs in Jimma town
- To explain the effect of social factors on the performance of Women entrepreneurs in Jimma Town
- To explain the effect of legal factors on the performance of women entrepreneurs in Jimma Town.
- To explain the effect of support of micro and small enterprise agency on the performance of women entrepreneurs in Jimma Town

1.4. Significance of the study

Existing scenarios depict that women should create their own jobs and become entrepreneurs since opportunities of getting employment in either government, non-government or a private organization is currently almost declining (Gemechis, 2007). However, there should be proper support rendered to women entrepreneurs in setting up and sustaining their enterprises and this is possible only if the barriers of women entrepreneurs are identified, prioritized and solved. In this respect the present study will have the following significances:

- It will help to identify and prioritize factors that affect the performance of existing and Women Entrepreneurs of MSEs of Jimma Town in particular to alleviate the problems that women entrepreneurs face;
- Based on the recommendations to be drawn from the study, it can help to concentrate mainstream support to women entrepreneurs of MSEs;
- As there is limited information available pertaining the performance of Women entrepreneurs in MSEs in this area, the findings will make a contribution to the existing literature.

1.5. Scope of the Study

Geographically, the study focused on Jimma Town. The units of analysis are women entrepreneurs in micro and small enterprise sectors. The sectors are manufacturing, construction, trade, urban agriculture, and service. There are many variables pertaining to factors affecting performance of women entrepreneur. This study focuses on factors external to the firm. The variables under these are economic, social, and legal and entrepreneurial support. Data were collected using self-administrated questionnaire.

1.6. Organization of the Study

The study was organized into five chapters. Chapter one is about introduction that includes background of the study, statement of the problem, objective of the study, significant of the study, and scope of the study. Chapter two about literature review related to theoretical and empirical investigation. Chapter three is about research design and methodology. Chapter four is about analysis, presentation, and interpretation. Chapter five is pertaining to summery, conclusion, and recommendations.

CHAPTER TWO

LITERATURE REVIEW

This chapter deals with the review of Theoretical and Empirical literatures in line with the study objectives

2.1 Theoretical Review

2.1.1 Meaning and definitions of MSE

There is no standard definition of micro, small, medium and large scale enterprises and their constituent differ among several countries (Wolday, 2007). For example in Malaysia Micro-enterprise is defined by the sales turnover of less than RM 250,000 or fewer than five full-time employees.

According Ministry of Trade Industry (1997) defined MSEs based on the size of the capital and level of automation. So, according to MoTI (1997) the definition of MSE is as follows:

Micro-enterprises are those business enterprises with a paid-up capital of less than Birr 20,000 and excluding high tech consultancy firms and other technology establishments.

Small enterprises are those business enterprises with a paid-up capital of above Birr 20,000 and not exceeding Birr 500,000, and excluding high tech consultancy firms and other technology establishments.

Large and medium enterprises, by default, are those with more than Birr 500,000 in paid-up capital.

According to the Federal Democratic Republic of Ethiopia, Micro & Small Enterprises Agency, Micro Enterprises defined as an enterprise with numbers of its employees (including the owner or family) are not greater than 5 & total asset is $\leq 100,000$ ETB for industrial sector and $\leq 50,000$ ETB for service sector. In a similar manner, an enterprise with 6-30 employees & total asset 100,001-1,500,000 ETB for industrial sector and 50, 0001-500,000 ETB for service sector is defined as “Small Enterprise”(FDRE, 2013).

Zewde& Associates (2002) identified that the MSE sector is characterized by a number of highly diversified activities, which can create job opportunity for a large segment of the population.

2.1.2 Overview of MSE in Ethiopia

The micro and small enterprise (MSEs) play an important role in the Ethiopian Economy. According to MoTI (1997) FDRE has recognized and paid due attention to the promotion and development of MSEs for they are important vehicles to address the challenges of unemployment, economic growth and equity in the country. To this effect, the government has formulated a National MSE Development and Promotion Strategy, which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs.

In Ethiopia as it is expressed by the Proclamation number 124 of 1977 has an official legal definition for small scale industries. According to this proclamation, activities such as oil mills, garment factories, shoe factories, shoe polishing, candle making, steel works, bakers, grain mills metal works breweries etc. are included under the small scale activities (Wolday et al., 1997).

According to the survey conducted by the Central Statistical Authority (CSA) in May 1997 in 48 major towns showed that there are 584,913 informal sector activity operators and 2,731 small-scale manufacturing industries that open an employment opportunity to 739,898 labour forces.

When we see the diversity of the micro enterprise in Ethiopia a large number of informal sector operators are concentrated in a limited area of activities (MoTI, 1997), i.e., 47% in manufacturing, 42% in Trade, Hotel and Restaurant activities, about 6% in Community and Personal services and the rest 5% are involved in Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying, Construction and Transport activities.

Women dominate the informal sector in urban areas. The survey by CSA (1997) indicated that 65% of urban micro enterprises are run by women (i.e., 380,000) while their share in small manufacturing (medium and large enterprises is 26% and 10%-15% respectively.

With regard to the diversity of the women owned micro enterprise as studied by ILO (2003), overwhelming majority (88%) of the women's enterprises was engaged in trade, handicraft and services. Only 15% were engaged in production.

2.1.3 The Benefits of MSEs

Many researchers argue that is the role of MSEs high is in economic development as well in poverty reduction. World Bank (2011) MSEs are widely recognized as a major source of employment and income in developing countries. If they grow in size, they would contribute more to economic growth and poverty reduction. In addition REPOA (2009) argue that the promotion of MSEs is one of the policy strategies for achieving national development goals such as poverty alleviation, economic growth increasing people's participation in economic activities, employment creation and income generation. It also includes strengthening the industrial base and a number of other socio-economic objectives.

According to MoTI (1997) the following are cited as the role and contribution of the MSEs

It provides the ideal environment enabling entrepreneurs to exercise their talents to the full and to attain their goals.

In all the successful economies, MSEs are seen as an essential springboard for growth, job creation and social progress at large.

MSEs by virtue of their size, location, capital investment and their capacity to generate greater employment have proved their powerful propellant effect for rapid economic growth.

It is important force to generate employment and more equitable income distribution, to activate competition, exploit niche markets, enhance productivity and technical change, and through all of these stimulate economic development.

It is fact that the contribution of MSEs in today's economy cannot be over emphasized. They have been identified as the catalyst for the economic growth of a country as they are a major source of income and employment and consequently poverty reduction, by contributing substantially to gross domestic product (Beck, Demirguc-Kunt & Levine, 2003). Their contribution to gross domestic

product is in the area of corporate taxes, export duties and import taxes flowing from their activities. They also facilitate production and distribution of products; create jobs, source of industrial innovation and economy regeneration/growth (Snodgrass & Biggs, 1996).

At individual level the benefit of MSEs is very significant in it can improve income distribution and increase the capacity of individuals to afford the payment for food, clothing, housing facility, medication, schooling and cultural ceremony (Endalie, 2007).

2.1.4 Economic Entrepreneurship Theories

The economic entrepreneurship theory has deep roots in the classical and neoclassical theories of economics. These theories explore the economic factors that enhance entrepreneurial behavior.

2.1.4.1 Classical Theory

The classical theory extolled the virtues of free trade, specialization, and competition (Ricardo, 1817; Smith, 1776). The theory was the result of Britain's industrial revolution which took place in the mid-1700 and lasted until the 1830s. The classical movement described the directing role of the entrepreneur in the context of production and distribution of goods in a competitive marketplace (Say, 1803). Classical theorists articulated three modes of production: land; capital; and labour. There have been objections to the classical theory. These theorists failed to explain the dynamic upheaval generated by entrepreneurs of the industrial age (Murphy, Liao & Welsch, 2006).

2.1.4.2 Neo-classical Theory

The neo-classical model emerged from the criticisms of the classical model and indicated that economic phenomena could be relegated to instances of pure exchange, reflect an optimal ratio, and transpire in an economic system that was basically closed. The economic system consisted of exchange participants, exchange occurrences, and the impact of results of the exchange on other market actors. The importance of exchange coupled with diminishing marginal utility created enough impetus for entrepreneurship in the neoclassical movement (Murphy, Liao & Welsch, 2006).

Some criticisms were raised against the neo-classical conjectures. The first is that aggregate demand ignores the uniqueness of individual-level entrepreneurial activity. Furthermore, neither use nor exchange value reflects the future value of innovation outcomes. Thirdly, rational resource allocation does not capture the complexity of market-based systems. The fourth point raised was that, efficiency-based performance does not subsume innovation and non-uniform outputs; known means/ends and perfect or semi-perfect knowledge does not describe uncertainty. In addition, perfect competition does not allow innovation and entrepreneurial activity. The fifth point is that, it is impossible to trace all inputs and outputs in a market system. Finally, entrepreneurial activity is destructive to the order of an economic system.

2.1.5 Sociological Entrepreneurship Theory

The sociological theory is the third of the major entrepreneurship theories. Sociological enterprise focuses on the social context. In other words, in the sociological theories the level of analysis is traditionally the society (Landstrom, 1998).

Reynolds (1991) has identified four social contexts that relates to entrepreneurial opportunity. The first one is social networks. Here, the focus is on building social relationships and bonds that promote trust and not opportunism. In other words, the entrepreneur should not take undue advantage of people to be successful; rather success comes as a result of keeping faith with the people. The second he called the life course stage context which involves analyzing the life situations and characteristic of individuals who have decided to become entrepreneurs. The experiences of people could influence their thought and action so they want to do something meaningful with their lives. The third context is ethnic identification. One's sociological background is one of the decisive "push" factors to become an entrepreneur. For example, the social background of a person determines how far he/she can go. Marginalized groups may violate all obstacles and strive for success, spurred on by their disadvantaged background to make life better. The fourth social context is called population ecology. The idea is that environmental factors play an important role in the survival of businesses. The political system, government legislation, customers, employees and competition are some of the environmental factors that may have an impact on survival of new venture or the success of the entrepreneur.

2.1.6. Political dimensions of MSEs

For this study, the focus is not the direct intervention of political involvement but rather the politically relevant social capital, which means a particular social capital is produced as the consequence of political expertise and information that is regularly communicated within individual network social relations. There is no doubt that there is a direct or indirect benefit of legitimate political participation (Huntington, 1968). Not only that, for the sake of the success of businesses, they must update with new policy and strategy made by both national and regional government. To address some of the research questions, the social network model used to demonstrate that social interaction has a value-added effect that helps us better understand when personal characteristics and resources contribute to participation (Scott, 2003).

Before micro and small enterprise adopted by policy and strategies, the federal democratic republic of Ethiopia declares that “every Ethiopian has the right to engage freely in economic activity and to pursue a livelihood of his choice anywhere within the national territory” Article 41 (1). In addition, the constitution professed that the federal and regional states have a space regarding sharing power, resources and responsibility to national policy (FDRE, 1995). Once more, the most important article, Article 31 said that every person has the right to freedom of association for any cause or purpose. This constitutional law is a base for the formation of a group to in MSEs. The opportunities help the society to know their right, choice, significance of participation and decision makings as well. For instance, the right to improved living standards and to sustainable development Article 43 (1), the right to participate in national development and, in particular, to be consulted with respect to policies and projects affecting their community Article 43 (2), and the right to choose his or her means of livelihood, occupation and profession (Article 41 (2))

2.2 Empirical Review

2.2.1 Factors Affecting the Performance of Women Entrepreneur in MSEs

It is essential to determine the factors that might inhibit entrepreneurial activity among women, taking into consideration the large contribution women entrepreneurs can make to the economy.

There are factors that affect the performance of women entrepreneurs in MSE. Samitil (2006) and Tan (2000) classified the basic factors that affect entrepreneurs in to two broad categories economic and social.

According to Mulugeta (2010) economic factors include competition in the market; lack of access to the market, lack of access to raw material, lack of capital or finance, lack of marketing knowledge; lack of production/ storage space; poor infrastructure; inadequate power supply and lack of business training. On the other hand, the social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force.

The CSA estimates that the low representation of women entrepreneurs in the small scale manufacturing sector (26 per cent) could be attributed to a number of factors such as:

- Low levels of education and lack of opportunities for training for women;
- Heavy household chores that leave women less time to devote to their businesses;
- Lack of contact with and exposure to the business world;
- Meagre financial and human capital at the disposal of the women concerned;
- Issues relating to ownership rights, which deprive women of property ownership in general and consequently, of the ability to offer the type of collateral normally required for access to bank loans.

2.2.1.1 Economic Factors

Access to finance

Women who want to expand their business often have insufficient financial resources to buy inputs in bulk so as to minimize their costs (AEMFI, 2002). Zewde & Associates (2002) stated that many women-owned enterprises therefore suffer a disadvantage in the price of inputs because of the lack of economies of scale it is true for both women and male but, relatively difficult for women entrepreneurs to implement as they are impeded by cultural barriers and a lack of information for enjoying such schemes. Further Rahel (2004) reported that women do not have adequate access to finance from conventional banks and that they rely heavily on indigenous social capital schemes called "Iqub" for raising finance needed for their venture.

Access technology

Others have argued that women are likely to operate in low risk and low technology industries such as petty trading. The gender division of labor and the gender stereotypes tend to push women into low status and low income business activities (von Masson, 1999).

Access to infrastructural facilities

Infrastructures such as roads for transportation, sanitation, water, electricity telecommunication etc. have much contribution not only in women owned enterprises. Lack of infrastructure facilities is serious obstacle in the way of the efficient operation of an enterprise. Since women-owned enterprises are smaller in size as measured either by the number of workers or the level of capital they are less access to infrastructure facilities (Jagero & Kushoka, 2011).

Access to market and Information

Competition (markets) and information related factors are major challenges. Competition is seen in form of the size of market share. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging. This could be caused by lack of marketing skills (Jaiyeba, 2010).

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

Access to business training

In the house the women have multiple responsibilities Fridah (2012) adds that when business training is available, women may not be able to take advantage of it because it is held at a time when they are looking after their family.

In Ethiopia there are different reasons that inhabit women entrepreneur from accessing to training. According to Desta (2010) training programmers' have the following weaknesses:

They do not take into account the needs of women and are often generic and not tailored to their needs;

The training is not flexible in terms of the delivery schedule, location and language to accommodate the specific challenges that women entrepreneurs face as mothers and careers;

Training sessions are one-off events and the fact that many of the trainers are men is a major barrier for women entrepreneurs (because women prefer women trainers and husbands do not like women to be trained by men trainers);

There is very limited outreach of training, especially training in the work place. Most training is delivered in a workshop setting;

Sporadic and uncoordinated entrepreneurship training is given for women with little impact on improving their businesses.

Managerial skills

The difference in business performance results from differences in human capital. The formal education systems tend to have biases against women, and this leads to gender differences in human capital leading to differences in managerial and technical skills. In addition literature suggests that the more skills and experience entrepreneurs bring into the enterprise the more successful the business enterprise (Ephraim, 2004).

According to Pat et al. (2004) majority of Ethiopian women entrepreneurs make all of the decisions in their business (69 per cent in microenterprises and 61 per cent in small enterprises), and the remainder take business decisions with their spouse.

Furthermore ILO (2008) added that the key factors that constraints women entrepreneurs' performance in developing countries: vulnerability of women to adverse effects of trade reform; restraints with regard to assets (land); lack of information to exploit opportunities; and Poor mobilization of women entrepreneurs; lack of management skills; lack of awareness among young women of entrepreneurship as a career option; conflicting gender roles; gender inequality inappropriate technology; and constraints at the legal, institutional and policy levels. In addition human capital, personal characteristics, family characteristics and business characteristics also affect the performance of women entrepreneurs (Loscocco et al., 1991; Daniels and Mead, 1998; McPherson, 1996).

2.2.1.2 Social Factors

The society understates women because of culture this in habit women contribution in countries growth. Moser (1989) argues that women perform three roles in society: reproductive, productive and community management roles. However, for a long time only the reproductive role has been emphasized for women as home makers compared to the productive role which has been dominated by men. This shows that society gives less attention for the women and also there is discrimination. In addition this argument is supported by De Bruin, Brush and Welter (2007) they suggest that female business owners are subject to gender-related discrimination.

Further von Masson (1999) argue that women discrimination is started in the house there is unfair division of labor in the household, differences in access to and control over resources also exacerbate inequities in performance of micro and small enterprises.

The other socio cultural factors is the little access to education of women. Under education of women perpetuates their limited capacity for growing their business beyond the informal micro enterprise sector. As a result the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Solomon, 2009).

2.2.1.3 Legal Factors

Legal factor is having much effect on the performance of women entrepreneurs in MSEs. According to Mulugeta (2010) there are in adequate level of awareness among women entrepreneurs about government policies that concern their businesses. In particular, the tax system needs a significant improvement, as the existing tax laws, which now levy taxes on the basis of estimates, do not consider the ability of small businesses to pay taxes.

Mostly women are limited to the household work only. Jiggins (1989) and Joeke (1999) argue that despite women's contribution to household food security and household viability, patriarchal family and social structures deny women real property rights, limit women's access to and control over the proceeds of their own labour and constrain their decision making role.

As mentioned above women is the discriminated part of the society so, women burdened with their multiple responsibilities in the household and at work and who do not have the know-how to

navigate the government process, dealing with the complicated and often corrupt bureaucracy is another challenge (Athanne, 2011). These shows there are Poor Access to Justice.

2.2.1.4 Characteristics of Women Entrepreneurs and their Enterprise

The factor that limits the performance women entrepreneurs is not limited to the above only. Other contends that personal characteristics embody entrepreneurial traits including the degree of risk-taking behavior and the motivation to achieve the highest levels. Loscocco et al. (1991) argue that small business owners may also benefit from intangible success from family members, although heavy family responsibilities may also have the negative effect of detracting the entrepreneur from the business activity. Business characteristics also play an important role in determining business performance. For example, the industry or the product market in which the enterprise operates may influence business outcomes.

Previous studies in Ethiopia have shown that the majority of women business owners are or have been married (Zewde & Associates, 2002). The other that support this idea ILO (2003) 60 per cent of micro entrepreneurs and 69 per cent of small-scale women entrepreneurs are married, which in Ethiopian society brings with it family care responsibilities. In addition the CSA (1997) study in Ethiopia show that women entrepreneurs in the informal sector showed that the majority (59 per cent) of those interviewed were illiterate, only 20 per cent having received elementary education.

The private sector in Ethiopia is dominated by the informal sector and small and micro enterprises. ILO (2003) study shows that the largest group of women (44 per cent) operated enterprises in the services sector, followed by trade sector.

2.2.1.5 Supports for Women Entrepreneurs

In Ethiopia there is poor support given to women entrepreneurs. Abegaz and Admassie (2004) attributed the lack of growth in the MSE sector to lack of strategic support to women entrepreneurs, and to the poor level of support provided to the sector since 1991. Kebede (2002) argued that the current economic policy must be re-evaluated with a view to fulfill the basic needs of women entrepreneurs in Ethiopia.

Shelton (2006) stated that in order to improve the survival and performance of women-owned ventures, programs should be implemented to assist women in selecting appropriate work-family management strategies. If work-family conflict is addressed, a potential stumbling block for women business owners will be removed and the effectiveness of other programs will be enhanced.

Langowitz and Minniti (2007) found that women tend to perceive themselves and the entrepreneurial environment in a less favorable light than men and thus Programs aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up.

According to Eshetu and Zeleke (2008) Women entrepreneurs in Ethiopia are not provided with adequate policy related and strategic support from the national government, and that the promotion of vibrant MSMEs should be one of the most important priority strategies for empowering women, addressing abject poverty and unemployment in Ethiopia.

Eshetu and Zeleke (2008) because of support of different bodies' women entrepreneurs in MSEs have been significantly improved in countries such as Bangladesh, Singapore, Japan, China, South Korea, Taiwan and Malaysia. In Sub-Saharan Africa, some measure of success have been achieved in South Africa, Botswana and Mauritius. The success achieved in each of the above countries is mostly attributed to support to MSEs in terms of policy, respect for the basic rights and needs of women, the availability of resources such as finance, good infrastructure, skills and appropriate technology and an enabling macro-economic environment for attracting international investors. According to Rahel (2004) and Rahmato (2004), small businesses and enterprises constitute the only livelihood available to the majority of impoverished women in Ethiopia.

The strategy identified by Ethiopian government is a wide-ranging list of areas of support for women entrepreneurs MSEs (Desta, 2010) including the following:

- Addressing training and leadership limitations through incorporating entrepreneurship and management in the technical training centers (TVET);
- Alleviating financial constraints through increased access to banking and micro finance services for MSEs;
- Addressing marketing problems through improvements in quality and standards and developing marketing channels;

- Improving access to infrastructure (water, electricity & communications) & work premises by giving priority to the sector, facilitating production space with infrastructure for groups of MSEs & promoting better access to BDS;
- Establishing a one-stop service delivery center for MSEs to overcome bureaucratic hurdles.

Conceptual frame work

The following conceptual framework adopted from Mulugeta (2010)

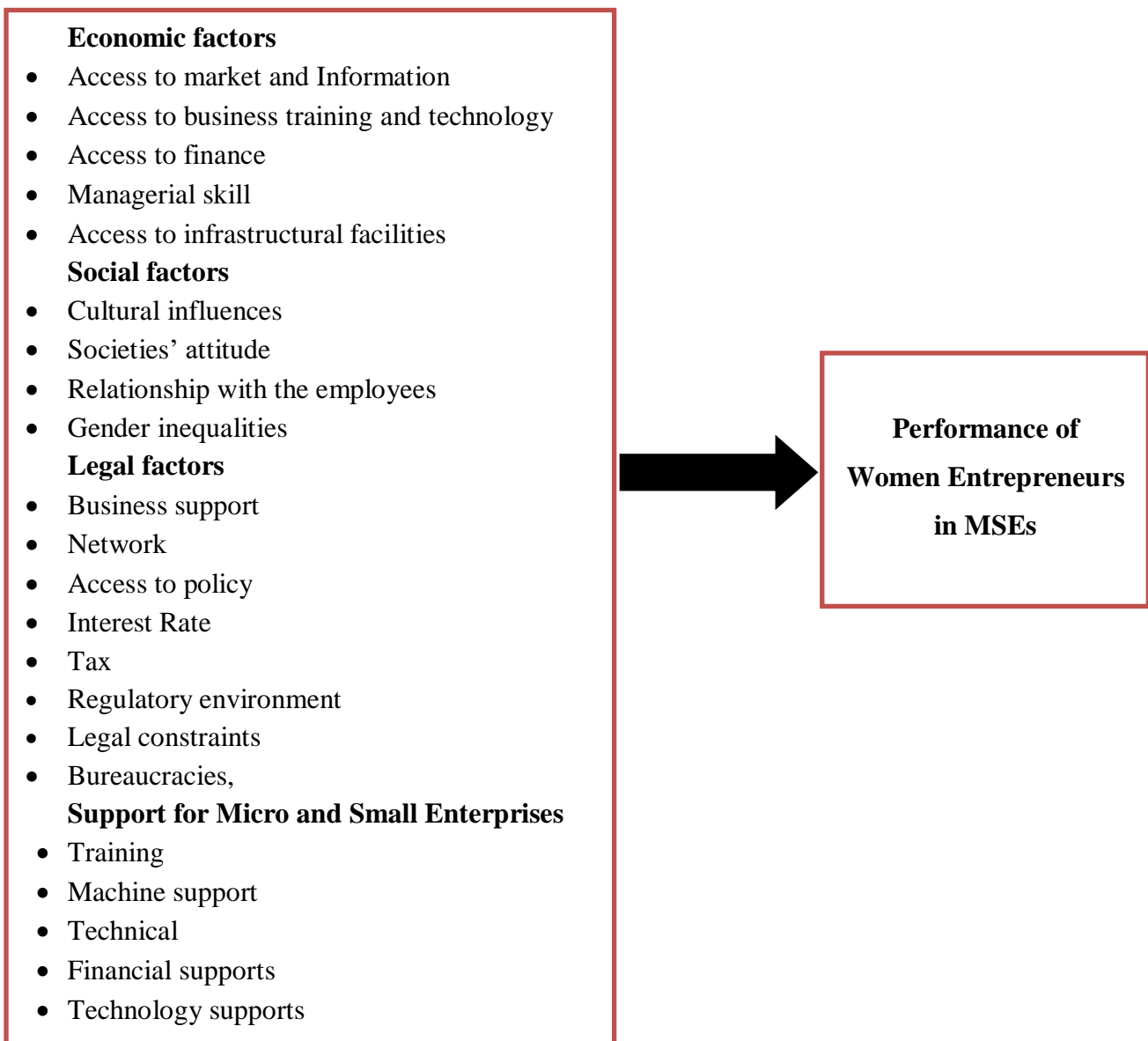


Figure 2.1 Conceptual frame work of the study

The above figure is the frame work designed for the study purpose. It shows the factors that challenges the performance of women entrepreneurs in MSE. As seen on the figure: the economic factors, social factors, legal factors and government support are the factors investigated whether they affect the performance of women entrepreneurs in MSEs. The performance of the women entrepreneurs were measured using the profit of the entrepreneurs.

On this study the above factorshad positively or negatively affect the performance of the women entrepreneurs in MSEs that are on the profitability.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the procedures and activities to be undertaken, focusing mainly on the study's research design, sampling design, method of data collection, data processing and analysis, and ethical consideration.

3.1 Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John et al., 2007). In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study would be relevant to the problem and that it uses economical procedures. By taking this into consideration, the study used both descriptive and explanatory research design.

The major purpose of descriptive research design is to describe the state of affairs as they exist. The state of affairs in in this context indicates the key external factors that affect the performance of women entrepreneurs in MSEs in Jimma Town. Explanatory research design was used to explain the casual relationship between the independent variables (economic factors, social factors, legal factors, and support) and the performance of women entrepreneurs

Moreover, the study employed cross-sectional survey design in the sense that all relevant quantitative data were collected at a single point in time and the cross sectional study design is considered best suited to studies aimed at finding out the prevalence of a phenomenon, situation, problem, attitude or issue, by taking a cross-section of the population (Kumar, 2005).

3.2 Data and their sources

The study used both primary and secondary data. The sources of primary data were women entrepreneurs working in the target area. Each business was represented by its owner or hired manager of the firm. Secondary data were collected from files, office manuals, books and journals that used to support the output of primary data.

3.3 Sampling Design

In order to select representative samples from a given target population, sampling design has to come first. Sample design, as defined by different works of literature (Davis, 2000; Kumar, 2008; and Kothari, 2004), is a plan for obtaining a sample from a given population. The procedure includes defining the target population, determining the sample size, determining a parameter of interest, and deciding on the suitable sampling technique.

3.3.1. Target population of the Study

Target population is items constituted in any field of inquiry. It is, as defined by Dattalo (2008), “a theoretically specified aggregation of elements” in a given setting. The present study considered justifiable sample size of entrepreneurs from MSEs in Jimma Town which is considered sufficient for successful quantitative analysis to arrive at sound conclusion and recommendations. The target population of the study was **3,929 female entrepreneurs** that were operating in the five nationally stratified sectors of MSEs. The strata were manufacturing (1,045), construction (306), service (740), trade (1,544), and urban Agriculture (290) sectors.

3.3.2. Sample Size Determination

Determination of the sample size is influenced by several factors that must be simultaneously taken into consideration. Among the factors are cost and time constraints, variability of elements in the target population, required estimation precision and whether the findings are to be generalized and if so, to what degree of confidence (Hair et al., 2007). In addition, there is always a trade-off between the cost and time and large sample size. Therefore, this research must balance the trade-off of getting a satisfactory sample size within budget and time constraints. To manage that Yamane (1967) formula for finite population was considered important to determine the sample size of respondents.

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

N=Population

E² = Level of Precision

n=Sample

$$n = 3926 / (1 + 3926(0.05)^2) = 3926 / 10.82 = 363$$

3.3.3. Sampling Technique

Depending on the nature and the objective of the study, there are several ways of taking a sample. The major sampling plans may be grouped into probability techniques and non-probability techniques. Specifically, there are several alternatives under the umbrella of probability. One is stratified sampling.

Stratified sampling is a sampling method where the population is divided into a number of strata and a sample is drawn from each stratum. Stratification creates heterogeneity among the strata and homogeneity within the stratum. Stratification is the division of the heterogeneous population into homogeneous subgroups (strata) and then selecting samples from each stratum (Jha, 2014). As mentioned in the target population, subjects of this study were nationally classified into five categories (manufacturing, construction, urban agriculture, trade and service sectors). Such behavior of the target population demands the study to use stratified random sampling treatment. The variation within the stratum is small relative to the variation among strata in terms of underlying variables. The sample size for each stratum was be proportionally computed.

To determine the sample size from each stratum proportional allocation was done. The proportional allocation formula is as follows:

$$nh = \left(\frac{N_h}{N_s} \right) n$$

Where:

n_h = sample size from each stratum,

N_h = total population in each stratum,

N_s = total population of the sum of Strata for study (x) and

n = total sample size from the study population (Israel, 1992; Cochran, 1963).

Based on this formula, sample size from each stratum is provided in the following Table.

Table 3. 1: Proportionate sample size from each stratum

Types of MSE and Sample size from each stratum		
Types of MSEs	MSEs in operation	Proportionate sample size from stratum $n_h = (N_h/N_s)n$
Manufacturing	1045	$(1045/3926)*363=97$
Construction	306	$(306/3926)*363=28$
Service	740	$(740/3926)*363=68$
Trade	1544	$(1544/3926)*363=143$
Urban Agriculture	291	$(291/3926)*363=27$
Total	3926	363

The final selection from each homogeneous stratum was done using systematic random sampling method. Systematic sampling is a statistical method involving the selection of elements from sampling frame (Zikmund, 2000). This sampling technique is operationally more convenient than the simple random sampling because it is easier to draw a sample and often easier to execute it without mistake. The first unit from each orderly arranged stratum was selected with the help of simple random number and then every 11th element in the frame was automatically selected. Since the sample size of each stratum was proportionally computed, their sampling interval is equal. One owner manager was taken to represent each sample firm of each stratum to respond the questionnaire.

3.4 Methods of data gathering Instruments

Depending on the nature of undergoing research objective to be achieved, a great variety of data collection instruments of many kinds were possibly used. These included questionnaire, interview, observation, focus group discussion, and document scanning. For this study, questionnaire was dominantly used. The questionnaire was self-administrated. The respondent was assured of anonymity and privacy, and could, therefore, feel free to respond.

However, choice of this method was not made without noticing its limitations. Experiences of past researchers show that self-report method suffers from specific disadvantages such as low response

rates, exaggerated response, questions can be misunderstood, language and literacy issues, etc. In order to manage these limitations, questionnaire organization and administration remedies were taken.

Basically, the instruments were developed based on the objectives of the study and research questions. The questionnaire was prepared in simple and clear languages by avoiding the use of too long statements and use of appropriate punctuations. The instruments were designed in the way that can strengthen the viability of the study. The questionnaires were redesigned in English and then translated to both Afan Oromo and Amharic languages as this could make the tool simple for respondents to understand and efficient for data collector.

By doing so 363 questionnaires were distributed and 340 were collected back. That means 94 % of the questionnaires were collected which is more than enough to make a conclusion based the findings.

3.5 Method of Data processing and analysis

3.5.1 Data Processing

Due care was taken during data processing including editing, coding, classification and tabulation of data. Both data clean-up and data reduction were exercised. During data clean-up the raw data that was collected was edited to detect anomalies, errors and omissions in responses and checking that whether the questions were answered accurately and uniformly. The process of assigning numerical or other symbols were employed to reduce responses into a limited number of categories or classes. After this, the processes of classification of large volume of raw data into groups were done.

3.5.2. Methods of Data Analysis

Further analyses of processed data using statistical tools were employed to study patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. The Statistical Package for Social Science (SPSS) version 20 was employed to analyze the data. Specifically, descriptive statistics and inferential statistics (logistic regression) were taken from this tool.

- ***Descriptive Analysis***

Descriptive statistics such as frequency and percentages were used for describing the demographic profile, characteristics of women entrepreneurs in MSEs and their enterprise, economic factors, social factors, legal factors and government support.

- ***Inferential Analysis***

According to Sekaran (2000), inferential statistics allows to infer from the data through analysis the relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. In order to manage that Chi square test and logistics regression were used.

- **Model specification**

The performance of Women entrepreneurs is a function of several factors. I.e. Women entrepreneurs performance = f (econ, social, legal, support MSEs). The multiple logistic regression models relating all the variables can be given as follows

$$\text{Women entrepreneurs performance} = \beta_0 + \beta_1 \text{econ} + \beta_2 \text{social} + \beta_3 \text{legal} + \beta_4 \text{suppmse} + \varepsilon$$

Where: econ: economic factor, Social: social factor, Legal: legal factors and Suppmse: support of micro and small enterprises, β_0 : beta constant, β_1 is coefficient of economic factors, β_2 is coefficient of social factors, β_3 is the coefficient of legal factors, + β_4 is the coefficient of entrepreneurial support, and ε is error difference.

3.6 Ethical considerations

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the commencement of distributing questionnaire. Regarding the right to privacy of the respondents, the study maintained the confidentiality of data from each participant and the information gathered was used for the intended purpose alone. In all cases, names were kept confidential thus collective names like ‘respondents’ was being used.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

This section presents the results of descriptive analysis which describes the general characteristics of women entrepreneurs in Micro and Small Enterprises (MSEs) and their enterprises and explains detailed factors that affect the performance of female-operated Micro and Small Enterprises MSEs based on their actual response to question.

4.1. Descriptive analysis and Presentation

4.1.1. Descriptive Analysis of Characteristics of Women Entrepreneurs in MSEs in Jimma Town

This section provides the profile of the sample respondents with regard to their age, marital status, education level, etc.

a) Age and marital Status

Table 4. 1: Distribution of sample respondents by age and marital status

Variable category	Freq.	Percentage
Age		
18-25	126	37.06
26-35	177	52.06
36-46	33	9.71
46 and above	4	1.18
Marital status		
Married	219	64.41
Single	100	29.41
Divorced	20	5.88
Widowed	1	0.29

Source: Own survey result, 2018

As indicated in the above table, out of the total respondents, 52.06%, 37.06 %, and 1.18 % of them were in the age range of 26-35 years, 18-25 years and 46 years and above respectively. This indicates that more than half of the sample respondents are at their adult age. In respect of marriage, out of the sample respondents, around 64.41% and 29.41% were married and single respectively, the rest were divorced (5.88 %) and widowed (0.29%). This indicates that most women entrepreneurs in Jimma were married.

b) Educational Level and Family size

Table 4. 2. Distribution of sample respondents by educational level and family size

Variable category	Freq.	Percentage
Educational status		
Can't read and write	5	1.47
Grades 1-4	11	3.24
Grades 5-9	90	26.47
Grades 10 complete	114	33.53
10+1 & 10+2	63	18.53
10+3 /diploma	38	11.18
BA/BSC and above	19	5.59
Family size		
< 3	127	37.35
4-5	89	26.18
> 5	124	36.47

Source: Own survey result, 2018

Among the sampled respondents, about 1.47 % were illiterate who can't read and write, while a greater majority 33.53% were grade 10 complete and about 26.47% of sample respondents reported their educational status ranging between Grades 5 and 9.

Even though most sample respondents fall under the read and write category, only 11.18% of women entrepreneurs attained 10+3 /diploma educational level. In terms of family size, about 37.35 % of respondents have a family size less than three, 36.47 % have more than five, and the rest 26.18 % have between four and five. Family size has implications for women’s engagement in entrepreneurial activity, since most women entrepreneurs had small family size. The result of the present survey revealed that family size had negative impact on women entrepreneur, since they spend their time nursing their family.

Knowledge and skills are needed to successfully run micro and small enterprises and both can be enhanced through education. Research shows that majority of the lot carrying out micro and small enterprises in Kenya are not quite well equipped in terms of education and skills. However, studies suggest that those with more education and training are more likely to be successful in the MSEs sector (King & McGrath, 2002). Nzioka (1995) in the role of education in business performance notes that one of the things that hold back the development of small – business is the need for better management. Good management means need for proper planning, control, organizing skills and proper staffing with qualified and competent employees. All these can be materialized with appropriate education and regular training.

c) Category of business

Table 4. 3: Distribution of sample respondents by category of business they run and business sectors

Variable category	Freq.	Percentage
Category of business (capital)		
Micro (< 20,000 Br start up)	237	69.71
Small (>20,000 and <500,000 Br)	103	30.29
Business sector		
Trade	145	42.65
Construction	10	2.94
Services	69	20.29
Manufacturing	104	30.59
Urban Agriculture	12	3.53

Source: Own survey result, 2018

The descriptive result revealed that out of the total interviewed 340 sample respondents, 69.71% were engaged in micro enterprises while about 30.29% were involved in small-scale enterprises. Sectors wise, around 42.65 % of sample respondents participated in trading activity/sector while 30.59 % of them run manufacturing business and very limited numbers engaged in the construction sector which is relatively capital intensive sector as compared to other.

d) Source start-up fund and legal ownership

Table 4. 4: Source of start-up fund and legal ownership status of sample respondents

Variable category	Freq.	Percentage
Sources of fund		
Personal saving	213	62.65
Household	4	1.18
Borrowed from relatives or friends	43	12.65
Micro-finance institutions	55	16.18
Equb	23	6.76
Inheritance	1	0.29
Legal ownership status of the business		
Joint ownership	338	99.41
Family business	2	0.59

Source Own survey result, 2018

Fund is an imperative source for financing the entrepreneurship activities of any business. The result of the study indicates that about 62.65 % of sample respondents used their personal savings for funding their business whereas about 16.18% women entrepreneurs mentioned that micro-finance institutions served as the second sources of fund for their business. It is worth noting that a sizeable percentage, around 12.65 %, of sample respondents used relatives or friends as source of fund to finance their business.

Like other business ownership, women entrepreneurs in Jimma town had their own legal ownership status. The study results revealed that about 99.41% of sample respondents indicated that their business legal establishment was based on joint ownership of members while only very small proportion of respondents said that the establishment of their business was family based business (0.59%).

e) Skill source and Business experience

Table4. 5: Skill source and business experience of sample respondents

Variable category	Freq.	Percentage
Years of operation in business (experience)		
Less than 3 Years	226	66.47
5 up to 6 Years	83	24.41
6 and above Years	31	9.12
Source of skill		
Formal training	114	33.53
Past experience	162	47.65
Family	64	18.82

Source: Own Survey result, 2018

Sample respondents were asked about work experience prior to starting their own business and results of the study revealed that 66.47 % of them had prior experience of less than 3 years while about 24.41 % of respondent women entrepreneurs had an experience of 5 up to 6 years. However, there were few of them, 9.12%, who reported as having work experience of 6 and above years before starting their own business.

Regarding source of skill for respondents, about 47.65% of sample women entrepreneurs replied that they obtained skill from their past experience when they were employed in relatives and others business. The next largest proportion (33.53%) of sample women entrepreneurs responded that they acquired skill from formal training provided by different government and non-government bodies. Moreover, the study result revealed that 18.82% of women entrepreneurs gained experience through involvement in a family business.

Cant and Light elm (2003) in a survey of small business failure mentioned that entrepreneurs often have good ideas and are competent but they do not have a clue on how to run a business and have no underlying appreciation of business fundamentals. Professional experience has been cited as an important factor affecting many aspects of entrepreneurial firms. Experience takes many guises and

breadth of experience is shown to be an important factor driving the performance of firms, with the number of previous jobs positively related to new firm performance (Lumpkin & Marvel 2007).

4.1.2. Descriptive Analysis External Factors Affecting Women Entrepreneurs Performance

There are a number of external factors that affect the performance of women entrepreneurs. These factors can be categorized as economic, social, legal and administrative factors.

a) Economic factors

Economic factors identified for this study were access to finance, access to market, business development training, premises, and access to information etc. Descriptive statistics (percentages) were used for analyzing the response of women entrepreneurs.

Table 4. 6: Economic factors that affect the performance of women entrepreneurs in MSEs

Questions	Responses by percentage				
	Strongly disagree	Disagree	Medium	Agree	Strongly agree
I am satisfied with the financial access given by micro	61.76	16.47	6.76	14.71	0.29
I have access to market for my products	52.35	16.76	6.76	23.82	0.29
I have access to business trainings	33.24	10.24	4.71	48.82	33.00
I have my own premises (land) to run my business	50.88	16.18	1.76	30.88	0.29
I have an access to information to exploit business opportunities	54.57	18.58	7.96	17.99	0.88
I have skills to run my business properly	9.44	4.72	7.96	75.22	2.65
I have access to necessary technologies	48.38	18.58	15.04	17.11	0.88
There is no stiff competitions in the market place that I am engaged in.	15.63	4.42	13.27	64.01	2.65

Sources: Own survey result, 2018

The result of the present study revealed that about 61.76 % of women entrepreneurs strongly disagreed with question regarding satisfaction with the financial access given to them by financial institutions. Likewise, about 52.35% of women entrepreneurs strongly disagreed with the opinion that they had access to market for their products. Women entrepreneurs (50.88%) expressed their strong disagreement to the idea that they own premises (land) to run their business. The next

important economic factors acknowledged to affect entrepreneurs' views articulated as positively (48.82%) that they have access to training. Furthermore 54.57% and 48.38% of them responded negatively that they have access to information and necessary technologies to exploit business opportunities. Hence, economic factors are severely affecting women entrepreneurs in Jimma town.

b) Social Factors

The major social factors identified for this study were social acceptability, prejudice or class biases, attitude and gender roles. The effect of these factors was analyzed by using descriptive statistics (percentages) were used for analyzing the response of women entrepreneurs.

Table 4. 7: Social factors that affect women entrepreneurs' performance

Questions	Responses by percentage				
	Strongly disagree	Disagree	Medium	Agree	Strongly agree
I have better social acceptability	6.21	2.96	5.33	82.84	2.66
I have a better contacts(networks) with outsiders	51.78	14.2	3.85	29.29	0.89
I have no prejudice or class biases	12.13	2.37	4.73	78.11	2.66
The societies attitude towards my products/services is positive	2.08	0.89	3.26	90.21	3.56
I have a positive relationship with the employees	2.66	0.59	2.66	90.24	3.85
The attitude of other employees towards my business is positive	2.37	1.18	3.25	90.53	2.66
I have no conflicting gender roles	6.21	1.48	3.25	84.91	4.14
I am not affected by gender inequalities	7.1	1.48	2.66	84.02	4.73
I have no cultural influences	7.1	1.18	1.78	85.5	4.44
I never encounter sexual harassment in operating my business	7.4	1.18	2.66	84.62	4.14

Source: Own survey result, 2018

Social factors that affect women entrepreneurs 82.84 % replied that they positively to the question of social acceptability, however, women entrepreneurs responded negatively (51.78%) regarding contacts (networks) with outsiders. About 78.11% women entrepreneurs responded positively not have prejudice or class biases while operating their business.

The results of descriptive statistics of respondents views expressed as positive that societies' attitude towards my products/services is positive, scored 90.21% which is promising for betterment of women entrepreneurs.

84.91% agreed they have no conflicting gender roles. Likewise, 85.5%, 84.62% respectively responded that there is no cultural influence, never encounter sexual harassment in operating my business.

c) Legal and administrative factors

A legal and regulatory framework that creates conducive environment is crucial for the promotion and growth of micro and small enterprises in general and women entrepreneurs in particular. Of the specific measure taken to guide and support the growth and development and thereby promotion of the MSEs in general is the provision of National Micro and Small Enterprises Development Strategy of Ethiopia. Zewde and Associates (2002: 10) imply this strategy has included salient tenets on advancement of women such as the promotion of formation, and the expansion of businesses owned by women. Conversely, as Hirut and Yoseph (2004: 17) suggest nonetheless of the efforts to create conducive environment for promoting women's entrepreneurship, the measures taken seems very general and do not focus on the specific problems and challenges facing women entrepreneurs.

Table 4. 8: Legal and administrative factors that affect women entrepreneurs’ performance in MSEs

Questions	Responses by percentage				
	Strongly disagree	Disagree	Medium	Agree	Strongly agree
I have business assistants and supporters from government bodies	55.62	6.8	3.25	34.02	0.3
I have a network with different administrative bodies	78.11	10.06	1.03	10.05	0.75
I have access to policy makers	85.5	10.36	0.59	3.25	0.3
I can borrow money even without titled assets as a collateral	84.02	11.54	0.89	2.96	0.59
I have no legal, institutional and policy constraints	85.5	10.06	0.89	2.96	0.59
Interest rate charged by micro finances is reasonable	82.25	11.83	1.78	3.89	0.25
I have never encountered bureaucracies and red tapes	76.33	8.88	5.33	8.88	0.59
I am beneficiary of government tax reduction	74.56	10.65	4.14	10.36	0.3
The tax levied on my business is reasonable	67.46	8.28	8.88	15.38	0
I have never faced unfavourable legal and regulatory environments	74.56	10.65	4.14	10.36	0.3

Sources: Own survey result, 2018

Regarding some of the legal and administrative factors that affect women entrepreneurs replied negatively which accounts (55.62 %, 78.11%85.5 % 84.02%) to question raised like business assistants and supporters from government bodies, network with different administrative bodies, and access to policy makers and borrow money even without titled assets as a collateral. Likewise they were strongly disagree to structured question such as legal, institutional and policy constraints, Interest rate charged by micro finances is reasonable, never encountered bureaucracies and red tapes, beneficiary of government tax reduction tax levied on my business is reasonable which scored 85.5,82.25,76.33&67.46 respectively. The result indicates that legal and administrative factors were severely influencing the success of women entrepreneurs. Therefore, the problems request serious attention from concerning government bodies and NGO as well.

The high cost of settling legal claims and excessive delays in court proceedings adversely affect MSE operations. Prohibitive laws like The Business Licensing Act, The Electricity Act, The Control of Goods Act, and The Export Incentives Act, have severely constrained MSE development 5.3% of proprietors in Malawi mentioned this as a constraint (Daniels & Ngwira, 1993). The cumbersome procedure for registering and commencing business were key issues often cited. However, Aryeetey et al. (1994) found that this accounted for less than 1% of their sample. Meanwhile, the absence of antitrust legislation favors larger firms, while the lack of protection for property rights limits SME access to foreign technologies.

d) Support from MSEs Development Agency

Table 4. 9: Support from Entrepreneurial Development Agency

Questions	Responses by percentage				
	Strongly disagree	Disagree	Medium	Agree	Strongly agree
I have got entrepreneurship training from MSEs development agency	46.18	4.41	2.94	45.59	0.88
I have got marketing training from MSEs development agency	50.29	5.00	1.47	42.65	0.59
I have got planning and financial reporting training from MSEs development agency	52.65	5.59	0.29	40.88	0.59
I have got machine maintenance training from MSEs development agency	89.71	7.35	1.18	1.76	-
I have got customer service training from MSEs development agency	90.00	6.76	1.47	1.76	-
I have got technical skill training from MSEs development agency	89.71	7.06	1.76	1.47	-
I have got machine maintenance service from MSEs development agency	90.29	7.35	1.76	0.59	-
I have got machines support(gifts) from MSEs development agency	90.59	7.35	1.47	0.59	-
I have got Financial supports MSEs development agency	89.71	7.35	1.47	1.47	-
I have got Technology supports MSEs development agency	90.29	7.65	1.47	0.59	-

Source: Own survey, 2018

According to the descriptive results of the study shows that the respondent answered strongly disagree which accounts (89.71% 90. % 89.71% 90.29% 90.59% 89.71% 90.29%) to question raised like I have got machine maintenance training from MSEs development agency, I have got

customer service training from MSEs development agency, I have got technical skill training from MSEs development agency, I have got machine maintenance service from MSEs development agency, I have got machines support (gifts) from MSEs development agency, I have got Financial supports MSEs development agency and I have got Technology supports MSEs development agency. From the above results we concluded that the MSEs Development Agency is not providing good service for women entrepreneurs in study area.

4.1.3. Women Entrepreneurs' Performance Measure

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

Table4. 10: Perceived Profitability of the Respondents

Questions	Responses by Percentage				
	Strongly Disagree	Disagree	Medium	Agree	Strongly Agree
My business profit is promising to continue doing	3.8	2.9	30.6	59.1	3.5
My business profit is on a good position	4.12	5.29	28.82	59.41	2.35
I have sustainable profit since I start my business	5.88	6.47	26.76	58.53	2.35
My business profit is increasing from time to time	7.65	9.71	23.24	57.06	2.35
My business has the potential to grow/expand	6.18	4.12	20.88	64.12	4.71

Source: Researcher's Field survey Result (2018)

From the above table the respondent answered strongly disagree, to question my business profit is promising to continue, my business profit is on a good position, I have sustainable profits since I start my business, my business profit is increasing from time to time and business has the potential to grow/expand doing accounts (3.8%, 4.12%, 5.88%, 7.65%, 6.18%) respectively. The results have implication that women entrepreneur's was getting relatively attractive profit from their business.

4.2. Inferential Analysis

4.2.1. Chi-square test

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

Table 4. 11: Chi-square test result

Variable		Performance			Pearson χ^2 value	Phi	P Value at 95% CI
		Disagree	Agree	Total			
Economic factors	Disagree	99	195	294	7.931	0.153	0.005
	Agree	6	40	46			
Social factors	Disagree	18	16	34	8.724	0.161	0.003
	Agree	87	219	306			
Legal factors	Disagree	102	227	329	3.17	0.031	0.573
	Agree	3	8	11			
Support MSE	Disagree	104	228	332	1.297	0.062	0.255
	Agree	1	7	8			
Total		105	235	340			

Source: Researcher's Field survey Result (2018)

The above table illustrates the association held in between independent and dependent variables. Accordingly, there is significant relationship in between economic factors and performance of women entrepreneurs in MSEs. ($\chi^2 = 7.931$, $df = 1$, $N = 340$, $P < 0.005$, depicting, the existence of good economic factors would enhance the performance of MSEs. Phi, which indicates the strength of the association between the two variables, is 0.153 and, thus, the effect size is considered to be small to medium according to Cohen (1988).

Regarding to the social factor and performance of women entrepreneurs, there is significant association in between social factor and women entrepreneur performance. ($\chi^2 = 8.724$, $df = 1$, $N = 340$, $P < 0.005$), thus it is argued that, the existence of good social factors would enhance the performance of women entrepreneurs. Phi, is 0.161 and, thus, the effect size is considered to be small to medium according to Cohen (1988). However, no significant association was noted between legal factors and performance of women entrepreneurs ($\chi^2 = 3.17$, $df = 1$, $N = 340$, $P = 0.073$). Similarly, no significant relationship observed between support from MSEs agency and performance of women entrepreneurs in MSEs ($\chi^2 = 1.297$, $df = 1$, $N = 340$, $P = 0.255$).

4.2.2. Uni-variable Regression Analysis

Under this section the odds ratio analysis of factors affecting women entrepreneurs' performance in MSEs were analyzed.

The following table reveals the aforementioned external factors that affect the performance of women entrepreneurs and their uni-variate regression results. Factors considered included economic, social, legal, administrative and support from MSEs development agency in line with performance of women entrepreneurs.

Table 4. 12: Uni-variable Regression Analysis

Variable		Performance			COR 95% CI	P Value at 95% CI
		Disagree	Agree	Total		
Economic factors	Disagree	99	195	294	0.295(0.121, 0.721)	0.007
	Agree	6	40	46		
social factors	Disagree	18	16	34	0.351(0.171,0.719)	0.004
	Agree	87	219	306		
Legal factors	Disagree	102	227	329	0.636(0.130,3.114)	0.576
	Agree	3	8	11		
Support MSE	Disagree	104	228	332	0.313(0.038, 2.578)	0.280
	Agree	1	7	8		
Total		105	235	340		

Source: Researcher's Field Survey Result (2018)

The above table reveals that the odds in performance changes by 70% (0.295[0.121,0.721]) times for those who say economic factors affect performances as compared with those who did not agree on the impact of economic factors. That means, with availability of more conducive economic conditions, there would be a possibility of enhancing the performance of women entrepreneurs' in MSEs by 70 % (95% CI from 28 % to 88%).

Also it is possible to infer that considering the strength of the relationship between women entrepreneurs' performance and social factors, the odds to agree on women entrepreneurs' performance is 65% (0.351 [0.171,0.719]) times more likely to agree that social factors as compared to those who say disagree on social factors (95% C.I from 28% to 83%). That is, the odd of performance is affected by 65% for those who agree on social factors.

There was no significant difference in the correlation between women entrepreneurs' performance and legal and administrative factors and support from MSEs development agency (that is, having a *p*value of 0.576 and 0.280 respectively).

4.2.3. Multivariable logistic regression

a) Hosmer and Lemeshow model fit test

In order to undergo the multiple logistic regression models, it is advisable to test whether the model fits the data. Accordingly, the following hypothesis had been set.

H_0 : The model is worthwhile to fit the data

H_A : The model is not worthwhile to fit the data

Table4. 13: Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	2.058	1	0.810

The Hosmer and Lemeshow (Pallant & Julie, 2002) goodness of fit implies the logistic regression model fit the data (Chi-square value=2.058, *p*-value=0.810) at 5% level of significance. For Hosmer and Lemeshow goodness of fit, test poor fit is indicated by a significance value less than

0.05., so to support the model we actually want a value greater than 0.05. Hence we accept H_0 , the logistic regression model fit the data as $p = 0.810$ which is greater than 0.05.

b) Test for Multi-collinearity

In order to verify the problem of multi-collinearity the following analysis was made.

Table4. 14: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	399.353 ^a	0.052	0.073

Source: Own data, 2018

Confounding can be checked by VIF (Variance Inflation Factor)

That is, $1=1/1-R^2 = 1/ 1-.073 =1/0.994671 = 1.0053576 = VIF$

VIF is the measure of the speed with which variances and co-variances increase and it is the most commonly used method for detecting multi-collinearity problem. There is no formal cutoff value to use with the VIF for determining the presence of multi-collinearity but Neter, Wasserman and Kutner (1990) recommended, looking at the largest VIF value. A value greater than 10 is often used as an indication of potential multi-collinearity problem. If $VIF < 10$, no multi-collinearity problem, therefore, the study had no multi-collinearity problem as $VIF = 1.0053576$, which is less than 10.

Which variable more predicts the performance of women entrepreneurs?

In order to test the factors that more predict women entrepreneurs' performances multivariable regression test was computed. The following table illustrates all.

Table 4.15: Variables in the Equation

	B	S.E.	Wald	Df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Step 1 ^a econ2(1)	1.251	0.496	6.373	1	0.012	0.286	0.108	0.756
social2(1)	1.031	0.372	7.671	1	0.006	0.357	0.172	0.740
legal2(1)	0.543	0.917	0.351	1	0.554	1.722	0.285	10.393
suppmse2(1)	1.159	1.129	1.055	1	0.304	0.314	0.034	2.866
Constant	2.657	1.282	4.296	1	0.038	14.252		

Source: Researcher's Field survey Result (2018)

The above table reveals factors that predict more women entrepreneurs' performances in MSEs. A logistic regression analysis was conducted to predict the factors that more predict women entrepreneurs' performances. A test of the full model against a constant model was statistically significant, indicating that the predictors as a set reliably distinguished between those who disagree and agree of women entrepreneurs' performances. The Wald criterion demonstrated that only economic factors ($p < 0.05$), and social factors ($P < 0.05$) could predict women entrepreneurs' performances. Accordingly, Exp (B) value indicates that economic factor affects the women entrepreneurs' performances by 0.286 times and social factors could affect the women entrepreneurs' performances by 0.357 times. Hence, to enhance women entrepreneurs' performances in MSEs, the municipality should facilitate better economic and social conditions in the city for women entrepreneur.

4.3. Discussions

Despite the wide-ranging economic reforms instituted in the sectors, MSEs face a variety of constraints owing to the difficulty of absorbing large fixed costs, the absence of economies of scale and scope in key factors of production, and the higher unit costs of providing services to smaller firms & value added per unit of capital invested (Steel and Webster, 1990).

Moser (1989) argues that women perform three roles in society: reproductive, productive and community management roles. However, for a long time only the reproductive role has been

emphasized for women as home makers compared to the productive role which has been dominated by men.

Further von Masson (1999) argue that women discrimination is started in the house there is unfair division of labor in the household, differences in access to and control over resources also exacerbate inequities in performance of micro and small enterprises.

This shows that society gives less attention for the women and also there is discrimination. In addition this argument is supported by De Bruin, Brush and Welter (2007) they suggest that female business owners are subject to gender-related discrimination. However, the present study revealed that Women entrepreneurs in Jimma town had no gender discrimination in their MSEs. The other socio cultural factors are the little access to education of women. Under education of women perpetuates their limited capacity for growing their business beyond the informal micro enterprise sector. As a result the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Solomon, 2009). It is in coherence with the findings of this study that MSEs in Jimma town suffer from similar problems.

Different from the national scenario where in 47% in manufacturing, 42% in Trade, Hotel and Restaurant activities, about 6% in Community and Personal services and the rest 5% are involved in Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying, Construction and Transport activities(MoTI,1997), in Jimma town around 42.65 % of MSEs participated in trading activity/sector while 30.59 % of them run manufacturing business and very limited numbers engaged in the construction sector which is relatively capital intensive sector as compared to other. This might be because of the local context in terms of availability of resources, skill and knowledge of the women entrepreneurs before business start-up.

Moreover, women operated MSEs in Jimma town expressed that infrastructures such as roads for transportation, sanitation, water, electricity telecommunication etc. have much contribution their enterprises. However, in ability to have better working place, shade, water, electricity, etc. has constrained the performance of their enterprises. This is in alignment with the idea of Jagero &

Kushoka (2011) who stated that lack of infrastructure facilities is serious obstacle in the way of the efficient operation of an enterprise. The poor access to market, is equally challenging for women entrepreneurs in Jimma town. The importance of location has been over emphasized by Desta (2010) that the location made easily available for buyers. Women also face challenges in negotiation and contract of acquiring premises.

Shabudin et al. (2016) based on their study in Jimma Zones namely Agaro, Limu Kossa, and Shebe Sombo stated that majority of the entrepreneurs identified economic factors including enterprise density, lack of access to appropriate technology, lack of access to finances, inappropriate location which is specially not controlled directly by themselves, inflation, unfavorable market condition and business environment and prior experiences as the major roadblocks inhibiting the flourish of their competencies. This is in alignment with the findings of the present study where in economic factors were found to have significant influence on the performance of women entrepreneurs.

A set of constraints identified with the sector shows as follow: Fagge (2004) asserted that the following problems militate against the effective operation of small and medium enterprises: Poor Implementation of Policies: there have been many good policies formulated in the past by the government to improve, but weak implementation has made it impossible to realize the goal. Lack of Continuity: most small scale establishments are sole proprietorship and such establishment often ceases to function as soon as the owner loses interest or dies. This raises the risk of financing such business. Poor Capital Outlay: inadequate capital outlay has often affected small scale business adversely. Financiers often regard the sector has high risk area and therefore feel skeptical about committing their fund to it. Poor Management Expertise: Management has always been a problem in this sector as most small scale businesses do not have the required management expertise to carry them through once the business start growing. Unstable Policy Environment: Government policy instability has not been helpful to small scale businesses. That has been destabilizing and has indeed sent many MSEs to early fold-ups.

According to International Finance corporation publication (2001) the economic development in developing economy as a result of the contribution of MSEs is not really noticeable due to

multifarious reasons that will be considered below: Wrong attitude of Entrepreneur and their workers: The attitude of some entrepreneurs to loans and that of their workers to work is counterproductive. Some entrepreneurs when offered credit facilities, believe that this is their share of the “national cake”. They therefore mismanage their finance. Since salaries or wages of those in MSEs are smaller compared to those in large-scale multinationals, some of the workers engage in eye service and are not productive. Also legal factors interms of high start-up costs for firms, including licensing and registration requirements can impose excessive and unnecessary burdens on MSEs.

The high cost of settling legal claims and excessive delays in court proceedings adversely affect MSE operations. Prohibitive laws like The Business Licensing Act, The Electricity Act, The Control of Goods Act, and The Export Incentives Act, have severely constrained MSE development. About 5.3% of proprietors in Malawi mentioned this as a constraint (Daniels & Ngwira, 1993). The cumbersome procedure for registering and commencing business were key issues often cited. However, Aryeetey et al. (1994) found that this accounted for less than 1% of their sample. Meanwhile, the absence of antitrust legislation favors larger firms, while the lack of protection for property rights limits the accessof MSEs to foreign technologies.

Furthermore, Eshetu and Zeleke (2008) conducted a longitudinal study to assess the impact of influential factors that affect the long-term survival and viability of small 25 enterprises by using a random sample of 500 MSEs from 5 major cities in Ethiopia. According to this research, that lasted from 1996-2001, the factors that affect the long term survival of MSEs in Ethiopia are found to be adequacy of finance, level of education, level of managerial skills, level of technical skills, and ability to convert part of their profit to investment. This is so because the findings of the study revealed that businesses that failed, during the study period were characterized by inadequate finance (61%), low level of education (55%), poor managerial skills (54%), shortage of technical skills (49%), and inability to convert part of their profit to investment (46%).(ibid).

Finally, as per to the study of Mulugeta (2011),the critical problems of MSEs havebeen recognized and classified in to market-related problems, which are caused by poor market linkage and poor promotional efforts; institution-related problems including bureaucratic

bottlenecks, weak institutional capacity, lack of awareness, failure to abide policies, regulations, rules, directives, absence of training to executives, and poor monitoring and follow-up; operator-related short comings like developing a dependency tradition, extravagant and wasting behavior, and lack of vision and commitment from the side of the operators; MSE-related challenges including lack of selling place, weak accounting and record keeping, lack of experience sharing, and lack of cooperation within and among the MSEs and finally society-related problems such as its distorted attitude about the operators themselves and their products.

In addition to the above study, Workeneh (2007) in his study entitled Constraints of Micro and Small Enterprise in addressing employment opportunity found that MSEs operators in Addis Ababa face lack of adequate training, unfavorable regulatory policy of the government institutions, problem of premise, and inadequate training in the area of marketing and bookkeeping affect the performance and contribution of the sector.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary of findings

This study was aimed to identify factors affecting the performance of women entrepreneurs in MSEs in Jimma town, southwestern, Ethiopia. With specific objectives of assessing external factors that affect the performance of female-operated MSEs and forward possible strategies to facilitate the development of MSEs, having the above ground objective, the main methods used and findings of this study are summarized and concluded as follows.

For this study both quantitative and qualitative types of data were collected. Sources of primary data were women entrepreneurs and in addition to primary data, secondary data from pamphlets, office manuals, circulars and policy papers were used to provide additional information. Besides, a variety of books, published and/or unpublished government documents, websites, reports and newsletters were reviewed to make the study fruitful.

For this study stratified sampling techniques/methods were used, in which the five key sectors that woman entrepreneurs are engaged were taken as strata to give equal chance to each of the sectors. In determining the sample size, the list of formally registered MSEs until June 2017 by trade and industry development offices in Jimma town were obtained. Then, the formula described by Yamane (1967) was used to determine the sample size of respondents.

To analyze collected data statistical tools (Statistical Package for Social Science (SPSS) version 20 were used for suitable data processing ability of packages. Descriptive analysis (percentage and frequency) were used to convert raw data to information. Based on the response obtained from 340 respondents and concerned officials, the major findings of this study are summarized as follows.

Based on the logistic analysis, the Wald criterion demonstrated that only economic factors ($p < 0.05$), and social factors ($P < 0.05$) could predict women entrepreneurs' performances. Accordingly, Exp (B) value indicates that economic factor affects the women entrepreneurs'

performances by 0.286 times and social factors could affect the women entrepreneurs' performances by 0.357 times. Hence to enhance the performance of women entrepreneurs in MSEs, the municipality should facilitate better economic and social conditions in the city for women entrepreneurs.

The study found that inadequate training and consultancy services, poor business management skills, low infrastructure facilities, high interest rate and lack of transparency by the formal financial institutions were some of the weaknesses that affect the performances of women entrepreneur. The major constraints identified were limited access and high cost of improved inputs, weak linkage with GO and NGO's inadequate warehouse and show room facility, low infrastructural facility, insufficient loan, weak traditions of documentation, poor monitoring and supervision and high bureaucracy and rent seeking from government officials,. Furthermore, it is found that the result indicates that economic and social factors that affect the success of women entrepreneurs.

5.2 Conclusions

Provided that SMEs are well organized, supported and managed, they can play a significant role in the economy of a country. Hence, the performance of the SME sector is closely associated with the performance of the nation. There has been more discussion about small business growth in recent years than any other aspect of management. One of the main reasons is the contribution of expanding enterprises to economic development and unemployment reduction, which generally has attracted the attention of researchers and policy makers in many countries. However, economic and social factors are some of the bottlenecks that women entrepreneurs who are operating in MSEs in Jimma town encountered. Regardless of the mention that there are several factors discouraging the performance of women entrepreneurs, it is a pity that there has been insignificant attempt to come up with real solutions to the observed challenges and hence calls for crafting of better strategies that enhance the performance of MSEs.

Factors that impede the performance of women entrepreneurs are multi-faceted in their very nature. That means, one of the factors that hinder the effective operation of women entrepreneurs is the poor implementation of policies. Even though there have been many good policies formulated in the past by the government to improve, but weak implementation has made it

impossible to realize the goal. Also lack of continuity: most small scale establishments are sole proprietorship and such establishment often ceases to function as soon as the owner loses interest or dies. This raises the risk of financing such business, inadequate capital outlay has often affected small scale business adversely, financiers often regard the sector has high risk area and therefore feel skeptical about committing their fund to it. Poor management expertise- in which management has always been a problem in this sector as most small scale businesses do not have the required management expertise to carry them through once the business start growing. Generally speaking, in order to enhance the performance of women entrepreneurs, efforts should be made in paving the atmosphere of economic and social factors.

5.3 Recommendations

Based on the key findings of the study and conclusion, the following recommendations were forwarded.

- Concerning government bodies should take correction measure on illegal land invasion which affects woman entrepreneurs and small businesses in Jimma town.
- Since poor market access and information adversely affects woman entrepreneur and small businesses, government bodies should improve bargaining power of enterprises.
- Woman entrepreneurs' social acceptability is promising therefore; government and other concerned bodies should encourage this tradition/ practices.
- The study result indicates that a legal and administrative factor was severely influencing the success of women entrepreneurs. Therefore; concerning government bodies should give attention to these factors.
- The government and other concerned bodies should improve the input supply with the intention that woman entrepreneurs obtain quality inputs.
- The government bodies should build linkage that has strong bond between company services involved in providing input and advisory services for woman entrepreneurs.
- Micro finance institutions are sources of financial services for woman entrepreneurs and small businesses but due to religious view some were not demanding credit service with interest so the finance institutions should provide interest free and sufficient credit for users.

- Jimma town micro and small enterprises should carry out assessment on manufacturing, show room and market place so as to address needs of woman entrepreneur in the context of the current situations.
- Improving infrastructures especially water; shade and electricity for woman entrepreneurs by constructing all shade and enlarge water coverage to enhance market access of woman entrepreneur. Therefore government organization and other concerned bodies must improve infrastructural services.
- Since women entrepreneurs need training in the area of business management and book keeping, Jimma town micro and small enterprises should provide training by contacting Jimma University and other higher institutions.

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APPENDIX

QUESTIONNAIRE

**JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

Factors affecting the performance of women entrepreneurs in MSEs: a case study of Jimma town

PART 1: SOCIO-DEMOGRAPHIC INFORMATION

1. Age
 - A. 18-25
 - B. 26-35
 - C. 36-46
 - D. 46 and above 40
2. Marital status
 - A. Married
 - B. Single
 - B. Divorced
 - D. Widowed
3. Level of highest grade completed?
 - A. Can't read and write
 - B. Grades 1-4
 - C. Grades 5-9
 - D. Grades 10 complete
 - E. 10+1 &10+2
 - F. 10+3 /diploma
 - G. BA/BSC and above
4. household size
 - A. Less than 3
 - B. 4-5
 - C. More than 5
5. How many of your household members do you currently feed and support with your own income?
 - A. Less than 3
 - B. 4-5
 - C. More than 5

PART 2: CHARACTERISTICS OF WOMEN ENTREPRENEURS IN MSEs AND THEIR ENTERPRISES

1. Category of business you run
 - A. Micro (\leq 20,000 Br start up)
 - B. Small ($>$ 20,000 and $<$ 500,000 Br start up)
2. What sector is your business in?
 - A. Trade

- B. Construction
 - C. Services
 - D. Manufacturing
 - E. Urban Agriculture
3. Specify the exact name of the sector _____
 4. What is the legal ownership status of the establishment?
 - A. Sole ownership
 - B. Joint ownership
 - C. Family business
 - D. Cooperative
 - E. Others (specify) _____
 5. What was your main source of start-up funding?
 - A. Personal saving
 - B. household
 - C. Borrowed from relatives or friends/money lenders
 - D. Micro-finance institutions
 - E. Equb
 - F. Assistant from friends/relatives
 - G. Inheritance
 - H. Borrowed from Bank
 - I. Assistant from NGO's
 - J. Others (specify) _____
 6. Do you have any prior work experience relating to this business?
 - A. Yes
 - B. No
 7. How did you acquire the skill for doing business?
 - A. Through formal training
 - B. From past experience
 - C. From family
 - D. other (specify) _____
 8. Years of operation in business
 - A. Less than 3
 - B. 3-5
 - C. 6 and above
 9. How many hour did you do your work per day?
 - A. Less than 8hr
 - B. 8-16hr
 - C. Above 16hr
 10. How do you sell your products/services?
 - A. Directly to customer
 - B. Through intermediaries
 - C. On line
 - D. Other (specify) _____
 11. How do you promote your products/services?
 - A. Using electronic media
 - B. Using news papers
 - C. Using billboard
 - D. Other (specify) _____
 12. Where do you sell your products/service?
 - A. To local
 - B. To export
 - C. Other (specify) _____

PART 3.A. MEASUREMENT OF PERFORMANCE

Please indicate your opinion about the following statement (5=strongly agree 4=agree 3=medium 2= Disagree 1=strongly disagree)

Perceived profit	Scale					
	1	2	3	4	5	6
1. My business profit is promising to continue doing						
2. My business profit is on a good position						
3. I have sustainable profit since I start my business						
4. My business profit is increasing from time to time						
5. My business has the potential to grow/expand						

PART 3.B. MEASUREMENT OF PERFORMANCE

1. How much profit does your business generate per year?

PART 4: FACTORS AFFECTING WOMEN ENTREPRENEURS' PERFORMANCE IN MSEs

The major factors that affect women entrepreneurs' performance in MSEs are listed below. Please show your opinion by putting tick (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree)

No.	<i>Economic Factors</i>	Scale				
		1	2	3	4	5
1	I am satisfied with the financial access given by micro					
2	I have access to market for my products					
3	I have access to business trainings					
4	I have my own premises (land) to run my business					
5	I have an access to information to exploit business Opportunities					
6	I have skills to run my business properly					
7	I have access to necessary technologies					
8	There is no stiff competitions in the market place that I am engaged in.					
9	Adequate infrastructures are available					
10	I have access to necessary inputs(raw materials)					
11	I promote my products/services					
	<i>Social factors</i>					
12	I have better social acceptability					
13	I have a better contacts(networks) with outsiders					
14	I have no prejudice or class biases					
15	The societies attitude towards my products/services is positive					
16	The attitude of other employees towards my business is positive					
17	I have a positive relationship with the employees					
18	I have no conflicting gender roles					
19	I am not affected by gender inequalities					
20	I have no cultural influences					
21	I never encounter sexual harassment in operating my business					
	<i>Legal and administrative factors</i>					
22	I have business assistants and supporters from government bodies					
23	I have a network with different administrative bodies					
24	I have access to policy makers					
25	I have no legal, institutional and policy constraints					
26	I can borrow money even without titled assets as a Collateral					
27	Interest rate charged by micro finances is reasonable					
28	I have never encountered bureaucracies and red tapes					
29	I am beneficiary of government tax reduction					
30	I have never faced unfavourable legal and regulatory environments					
31	The tax levied on my business is reasonable					

32. If you think of any other factors that affect the performance of women entrepreneurs, please specify it!.....

PART 5: CONCERNED GOVERNMENT BODY

No	Support From MSEs Development Agency	Scale				
		1	2	3	4	5
1	I have got entrepreneurship training from MSEs development agency					
2	I have got marketing training from MSEs development agency					
3	I have got planning and financial reporting training from MSEs development agency					
4	I have got machine maintenance training from MSEs development agency					
5	I have got customer service training from MSEs development agency					
6	I have got technical skill training from MSEs development agency					
7	Machine support					
8	I have got machine maintenance service from MSEs development agency					
9	I have got machines support(gifts) from MSEs development agency					
10	I have got Financial supports MSEs development agency					
11	I have got Technology supports MSEs development agency					

12. If any other factors please specify.....

