



**SAINT MARRY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**FACTORS AFFECTING THE PERFORMANCE OF WOMEN
ENTREPRENEURS IN MSEs IN THE CASE OF KOLFE KERANIYO SUB-
CITY**

**BY
ABEBAW ALEMNEH-SGS/0515/2010A**

May, 2019

Addis Ababa, Ethiopia

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SCHOOL OF GRADUATE STUDIES
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List of Acronyms

| | |
|-----------------|--|
| AACMSEDA | Addis Ababa City Administration Micro and Small Enterprise Development Agency |
| APEC | Asian Pacific Economic Cooperation |
| BDS | Business Development Services |
| CEFE | Competency Based Economies Through formation of Enterprises |
| ECSA | Ethiopian Central Statistics Authority |
| EWEF | Ethiopian Women Exporters Forum |
| FDREPPCC | Federal Democratic Republic of Ethiopia Population Census Commission Government Organization |
| GTZ | German Technical Cooperation |
| HASIDA | Handicraft and Small Scale Industries Development Agency |
| ILO | International Labor Organization |
| MOTI | Ministry of Trade and Industry |
| MOWUD | Ministry of Works and Urban Development |
| MSE | Micro and Small Enterprises |
| NGO | Non- Government Enterprises |
| OECD | Organization of Economic Corporation and Development |
| SDCs | Skill Development Centers |
| SMIDEC | Small and Medium Industries Development Corporation |
| TVET | Technical and Vocational Education and Training |
| UNECE | United Nations Eco economic Commission for Europe |
| UNESCO | United Nations Education, Scientific and Cultural Organization |
| UNIDO | United Nations Industrial Development Organization |
| WEA | Women Entrepreneurs Association |

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Abstract

This study was designed to assess the major factors affecting the performance of women entrepreneurs in MSEs. It also addressed the characteristics of women entrepreneurs in MSEs and the challenges they face in the area of technical and business training supports from training colleges/institutes. A sample of 340 women entrepreneurs engaged in 5 sectors was taken for the study using proportionate stratified sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the performance of women entrepreneurs in MSEs and the effects in technical trainings were designed in a closed ended and Likert scales. After the data had been collected, Data were analyzed using descriptive statistics, which included frequencies, sum, mean, max, standard deviations and percentages and the ordinary least square multiple regression method was used to analyze causes and effect relationships. Tools of analysis such as Independent sample T test and ANOVA were used, the results of the study indicates the personal characteristics of women entrepreneurs in MSEs and their enterprise affect their performance. It also shows that lack of their own premises (land) to run their business, financial access given by micro finances or other lending institutions, inadequate access to business training, stiff competition in the market place, access to technology and access to raw materials were the key economic factors that affect the performance of women entrepreneurs in MSEs. The study also found that conflicting gender roles or household responsibilities, network with outsiders and social acceptability were the major social factors that affect these entrepreneurs. The legal and administrative bodies are required to create an enabling environment for the growth and development of MSEs, but this study found that access to policy makers, high amount of tax, network with administrative bodies, interest rate charged and over all legal and regulatory environments were the main factors that affect women entrepreneurs. The study also found that customer service training, marketing training, financial report training and entrepreneurship trainings were the main challenges of the entrepreneur. It also found that the profitability of the business, sales turnover and capacity to pay obligations, capital of business and asset of the business were not good. Based on the major findings, recommendations were forwarded to existing and potential entrepreneurs, MSEs, Micro finances and other government bodies.

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

CHAPTER ONE

Introduction

This chapter addresses the introductory part of the research. It basically includes background of the study, statement of the problem, research questions, research objectives, research hypothesis and significance of the study, delimitation of the study, limitations of the study, terms of definition and organizations of the study.

1.1 Background of the study

The past shows that economic advancement has been developed by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005). The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, a significant number of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Ethiopia. The idea and practice of women entrepreneurship is a recent phenomenon. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006). Even though we observe a number of women entrepreneurs in the business, recent studies show that most of them are found in Micro and Small Enterprises(MSEs). According to the Ethiopian Central Statistics Authority (2004), almost 50% of all new jobs created in Ethiopia are attributable to small businesses and enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women. According to Aregash as cited in Eshetu and Zeleke (2008), 98% of business firms in Ethiopia are micro and small enterprises. The 3rd census of Ethiopia shows that of the total population of the country (73,918,505), 36,621,848 are females (ECSA, 2007). This accounts 49.5% of the population. This shows that Ethiopia is among those African countries that are known by human resource potential. Regardless of its potential, it does not utilize this labor force.

When we come to Addis Ababa, it is one of the cities in which many women are found. According to the Federal Democratic Republic of Ethiopia's Population Census

Commission (FDREPCC, 2014) of the 2,739,551 total population of Addis Ababa city, 1,434,164 are females. More than half of these females are within the age category of 15-59 years which is considered as a productive age. Though the city is enriched by this greater and productive number of women, it seems that it does not utilize them as expected quality as well as quantity wise. One reason might be similar to that of the country as a whole, which is underutilization of women's potential. In order to make the country, the city and women themselves beneficiaries of this great potential, appropriate measures should be taken to reduce the bottlenecks/challenges that women entrepreneurs in MSEs encounter.

Kolfe Keraniyo is one of among the sub-cities of Addis Ababa region, in which a large number of women Entrepreneurs are found. Information taken from Kolfe Keraniyosub-city MSEs Office shows that 2719 women entrepreneurs are found in the sub-city who are working in MSEs. Like the city as a whole, women entrepreneurship problems are tremendous in Kolfe Keraniyo too. To take appropriate measures for these problems, knowing the factors associated with the problems is a precondition for a problem well stated is half solved.

1.2Statement of the problem

As mentioned in the introduction above, there are a large number of women in Addis Ababa. But the city administration does not yet exploit them very well to contribute a lot for economic development. One of the reasons for this might be problems of women entrepreneurs in MSEs. This is supported by different empirical evidences. For example, Gemechis(2007) and ILO (2009) stressed that entrepreneurs are surrounded by a number of challenges .This forces entrepreneurs in MSEs not to contribute lot to the poverty reduction of the sub-city, region and the country as a whole.

This study is different from those researchers discussed above in that their focus areas were in all entrepreneurs regardless of their sex. Besides, they did not see the factors with respect to the different personal, organizational, economic, socio-cultural and legal/administrative matters.

Similarly, their studies did not address women entrepreneurs in MSEs. But this study specifically focuses on factors that affect the performance of women entrepreneurs in MSEs particularly in Kolfe Keraniyo sub-city.

Women entrepreneurs in developing countries suffer from gender discrimination in society and laws, underdeveloped enterprise culture, inadequate support system for businesses and underdeveloped markets and infrastructure. Generally, women-owned businesses are

concentrated in the low growth segment, face constraints such as poor access to finance, lack of business development services and business networks, limited exposure to business management experience and the challenges of juggling business with household and family responsibilities (Desta Solomon, 2010). Even though women entrepreneurs in MSEs account the greatest proportion of total entrepreneurs in the country as a whole and in Kolfe Keraniyo sub city in particular, there is an acute shortage of studies conducted with a specific objective of analyzing the problems of enterprises operated by women in terms of personal and organizational-related challenges, economic, social/cultural, and legal/administrative.

This study is deemed to fill the gaps by identifying specific factors that are responsible for resilience in SMEs operated by women entrepreneurs, and dark light on women specific differentials that affect their performance.

Thus, in this study it is thought to assess the different factors that affect the performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city. Furthermore, the supports given by different heads and training institutions to MSEs were assessed.

1.3 Research questions

More specifically, this study attempted to answer the following leading or basic questions

1. What are the major characteristics of women entrepreneurs in MSEs and their enterprises?
2. Is there any significant relationship between economic factors and the performance of women entrepreneurs in Kolfe Keranyo sub city?
3. Is there any significant relationship between socio-cultural factors and the performance of women entrepreneurs in Kolfe Keranyo sub city?
4. Is there any significant relationship between legal & administrative factors and the performance of women entrepreneurs in Kolfe Keranyo sub city?
5. Is there any significant relationship between TVET supports and the performance of women entrepreneurs in Kolfe Keranyo sub city?

1.4 Objective of the study

1.4.1 General objective of the study

The general objective of this study is to investigate the factors affecting the performance of women entrepreneurs in MSEs in Kolfe Keranyo Sub-City.

1.4.2 Specific objectives of the study

The specific objectives of this study are listed below:

1. To determine the major characteristics of women entrepreneurs in MSEs and their enterprises.
2. To identify the perceived impact of economic factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.
3. To investigate the perceived effect of socio-cultural factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.
4. To examine the perceived impact of legal & administrative factors on the performance of women entrepreneurs in Kolfe Keranyo sub city.
5. To determine the perceived effect of TVET supports on the performance of women entrepreneurs in Kolfe Keranyo sub city.

1.5 Research hypothesis

The following hypotheses are formulated for the study.

Hypothesis 1

Ho: Economic factors have no positive significant impact on the performance of women entrepreneurs in MSEs.

H1: Economic factors have positive significant impact on the performance of women entrepreneurs in MSEs.

Hypothesis 2

Ho: Socio-cultural factors have no positive significant effect on the performance of women entrepreneurs in MSEs.

H2: Socio-cultural factors have positive significant effect on the performance of women entrepreneurs in MSEs.

Hypothesis 3

Ho: Legal & administrative factors have no positive significant impact on the performance of women entrepreneurs in MSEs.

H3: Legal & administrative factors have positive significant impact on the performance of women entrepreneurs in MSEs.

Hypothesis 4

Ho: TVET supports given to women entrepreneurs have no positive significant effect on the performance of women entrepreneurs.

H4: TVET supports given to women entrepreneurs have positive significant effect on the performance of women entrepreneurs.

1.6 Significance of the study

This research work is expected to broaden the understanding and knowing of the factors that affect women entrepreneurs in MSEs and is very important to take action. It can be one input to existing Women Entrepreneurs, potential entrepreneurs, MSE heads of the town and the region and TVET educators to alleviate the problems that women entrepreneurs face.

This research work will facilitate further studies by other researchers who have an interest in understanding the factors affecting the performance of women entrepreneurs in MSEs. Additionally, it will provide what areas of support should TVET institutes and MSEs development office have to work together.

1.7 Operations of definition

Characteristics: key personal and organizational features of women entrepreneurs in MSEs.

Growth-orientated enterprises: are those enterprises that have operated for more than two years and have shown increases in their sales (revenue), capital, employment and products/services, as well as expansion and/or diversification in their businesses. (ILO 2003)

Factors: personal, organizational, economic, socio-cultural, legal/administrative influences that affect women entrepreneurs overall activities and operations in MSEs

Joint ownership: association of two or more individuals who act as a co-owner (Hisrich, 2005).

Micro Enterprise: means commercial enterprise whose capital is not exceeding birr 20,000 other than technological and consultancy services (Ethiopia Ministry of Trade and Industry, 2003)

Micro finance: refers to the provision of financial services to low income clients, including consumers and the self-employed (Ethiopia Ministry of Trade and Industry, 2003).

Performance: overall activities and operations performed by women entrepreneurs in MSEs in strengthening their enterprises.

Small Enterprise: means a business engaged in commercial activities whose capital is exceeding birr 20,000 and not exceeding 50,000 birr, other than high technological and consultancy service institutions (Ethiopia Ministry of Trade and Industry, 2003).

Supports: training, machinery, financial, raw material and facility assistances that TVETs provide to MSEs.

Women entrepreneurs: women in MSEs running their own business rather than employed in any organization.

1.8 Delimitations of the study

This study is delimited to geographical, methodological and conceptual or the key economic, socio-cultural, legal/administrative factors affecting the performance of women entrepreneurs in MSEs. In addition, the study focused on assessing the major personal and organizational characteristics of women entrepreneurs in MSEs to check whether these characteristics affect their performance. The study also addresses the training, machine, financial, raw material, technology and facility supports that the training centers provide to these entrepreneurs so as to minimize the problems the women entrepreneurs in MSEs face.

1.8.1 Limitations of the study

The researcher faced some challenges while doing this study. The majority of the respondents' educational background created some negligence in filling the questionnaire. Some not gave values to the questionnaire and some others not returned it totally. Moreover, since respondents have been in a tight work, some were not as such willing to fill the questionnaires. And the respondents are scattered in different sites, some difficulties faced in giving orientations, following up respondents and collecting responses. In addition to this, absence of related documents in the study area, financial problem, and shortage of time were the constraints of the study.

1.9 Organization of the thesis

This thesis deals with the statement of the problems, research questions, objectives of the study (the general and specific objectives), research hypothesis, significance of the study, delimitations of the study, limitations of the study, terms of definition, literature review, research methodology, data presentation, analysis and discussion of results, summary, conclusion and recommendations of the study.

CHAPTER TWO

Literature Review

This chapter revises the different literatures written in the areas of entrepreneurship, women entrepreneurs; women entrepreneurs in MSEs; the problems of entrepreneurship; factors affecting the performance of women entrepreneurs in MSEs; and the supports given by TVET institutions to MSEs.

2.1 An overview to entrepreneurship

As globalization reshapes the international economic landscape and technological change creates greater uncertainty in the world economy, the dynamism of entrepreneurship is believed to be able to help to meet the new economic, social and environmental challenges.

Entrepreneurship objectives and policies nevertheless differ considerably among countries, owing to different policy needs and diverse perspectives on what is meant by entrepreneurship. In support of this; Schumpeter (2005) stated that: In some countries, entrepreneurship is linked to regional development programs and the creation of new firms is stimulated to boost employment and output in depressed regions. In others, entrepreneurship is a key element of strategies designed to facilitate the participation of certain target groups, such as women or minorities, in the economy. Some countries simply seek to increase firm creation as such, while others set out to support high-growth firms. While many countries are making serious efforts to support entrepreneurship, results appear to vary. “Countries want to understand the determinants of and obstacles to entrepreneurship, and they need to analyze the effectiveness of different policy approaches (pp.13).”

2.1.1 Meaning of entrepreneurship

There is no agreement among authors regarding the definitions of Entrepreneurship. Different authors tried to define it in different manners. This doesn't however mean that there are no common elements among authors. Some of the definitions are given below.

According to Ponstadt (1998) Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitments of providing values for some product or service. The product or service may/may not be new or unique but value must be infused by the entrepreneur by securing and allocating the necessary skills and resources (p.9)Furthermore, Timmons (1989) defined it in

such a way that: Entrepreneurship is the process of creating and building something of value from practically nothing. That is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled. It involves the definition, creation and distribution of values and benefits to individuals, groups, organizations and society. Entrepreneurship is very rarely a get rich-quick proposition (not short term); rather it is one of building long term value and durable cash flow streams (p.29)

In addition, Hisrich (2005 :) defined entrepreneurship as follows: Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence (p.2)

From the definitions given above, it is possible to conclude that in almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

2.1.2 The benefits of entrepreneurship

It is abundantly clear that entrepreneurship is important for economic growth, productivity, innovation and employment, and many countries have made entrepreneurship explicit policy priority. Entrepreneurial activities have been recognized as an important element in organizational and economic development, performance and wealth creation. According to World Bank (2007), Fox (2001) and Hisrich (2005) entrepreneurship has the following benefits.

- 1.** Entrepreneurs are their own bosses. They make the decisions. They choose whom to do business with and what work they will do. They decide what hours to work, as well as what to pay and whether to take vacations.
- 2.** Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else.
- 3.** It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response.
- 4.** It offers the prestige of being the person in charge.
- 5.** It gives an individual the opportunity to build equity, which can be kept, sold, or passed on to the next generation.

6. Entrepreneurship creates an opportunity for a person to make a contribution. Most new entrepreneurs help the local economy. A few—through their innovations—contribute to society as a whole.

7. It is a catalyst for economic change and growth .Entrepreneurship increase per capita output and income .By doing so it involves initiating and constituting change in the structure of business and society. As a result entrepreneurship contribute a lot in increasing countries output and productivity.

8. Entrepreneurship encourages innovation and creativity. It develops new products or service for the market to fulfill human needs. It also stimulates investment interest in the new ventures being created. Entrepreneurship through its process of innovation creates new investment of new ventures .More ventures being created, new jobs will be produced, thus reduce the unemployment rate. That will Creates and promotes wealth distribution.

2.1.3 Factors affecting entrepreneurship

Even though entrepreneurship has its own advantages, it is not free of problems. For this there are a number of factors .Samiti (2006), Tan (2000) classified the basic factors that affect entrepreneurs in to two broad categories –economic and social.

The 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.

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.

Besides this, Gemechis (2007), Hisrich (2005), ILO (2009) added Social and cultural attitude towards youth entrepreneurship; entrepreneurship education; administrative and regulatory framework; and business assistance and support; barriers to access technology are crucial factors that affect entrepreneurial success.

2.2 Women entrepreneurship

Women’s productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women’s entrepreneurial

activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment United Nations Industrial Development Organization (UNIDO, 2001).

In many societies women do not enjoy the same opportunities as men. In many transitional economies progress has been achieved in opening doors to education and health protection for women but political and economic opportunities for female entrepreneurs have remained limited. Concerted efforts are needed to enable female entrepreneurs to make better economic choices and to transform their businesses into competitive enterprises, generating income and employment through improved production (OECD, 1997).

2.2.1 Nature of women entrepreneurs

There is no agreement among researchers with regard to the differences in the characteristics of male and female entrepreneurs. Some groups of researchers agree that there are no differences. But some others state differences. For example Green & Cohen (1995) stated, “An entrepreneur is an entrepreneur is an entrepreneur,” and it should not matter what size, shape, color, or sex the entrepreneur might be. If so, good research on entrepreneurs should generate theory applicable to all. While research shows similarities in the personal demographics of men and women entrepreneurs, there are differences in business and industry choices, financing strategies, growth patterns, and governance structures of female led ventures (p.106).

These differences provide compelling reasons to study female entrepreneurship – looking specifically at women founders, their ventures, and their entrepreneurial behaviors as a unique subset of entrepreneurship. Just as we have found that clinical trials conducted on an all-male population do not necessarily provide accurate information about the diagnosis or treatment of female patients, we see that scholarly research focused only on male entrepreneurial ventures leaves many questions unanswered for their female counterparts. Some argue that it is important to look at female entrepreneurs who, though they share many characteristics with their male colleagues, are unique in many aspects.

Observable differences in their enterprises reflect underlying differences in their motivations and goals, preparation, organization, strategic orientation, and access to resources.

Birley (1987) stressed on the differences even in their background and personal characteristics. He found the female entrepreneurs to be the first born; from a middle or upper class family; the

daughter of a self-employed father; educated to degree level; married with children; forty to forty-five at start-up; and with relevant experience.

In their desire in starting new businesses, researchers identified a number of reasons for women to become entrepreneurs. South Africa Entrepreneurs Network (2005) pointed out that challenges/attractions of entrepreneurship; self-determination/autonomy; family concerns – balancing career and family; lack of career advancement/discrimination; and organizational dynamics power/politics are reported as main initiators to become entrepreneurs for women. The report also added the desire to make a social contribution and helping others has been found to be a key factor in women choosing to become business owners.

2.2.2 Differences between women and men entrepreneurs

While gender was shown not to affect new venture performance when preferences, motivation, and expectations were controlled for, the differences observed among men and women entrepreneurs were observed by different researchers. Among these Shane (1997) identified that men had more business experience prior to opening the business and higher expectations; women entrepreneurs had a larger average household size; the educational backgrounds of male and female entrepreneurs were similar; women were less likely than men to purchase their business; women were more likely to have positive revenues; men were more likely to own an employer firm; female owners were more likely to prefer low risk/return businesses; men spent slightly more time on their new ventures than women; male owners were more likely to start a business to make money, had higher expectations for their business, and did more research to identify business opportunities; male entrepreneurs were more likely to found technologically intensive businesses, businesses that lose their competitive advantage more quickly, and businesses that have a less geographically localized customer base; male owners spent more effort searching for business opportunities and this held up when other factors were controlled for.

2.2.3 Factors affecting women entrepreneurs' performance

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

A. Access to finance

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Mahbub, 2000).

B. Access to markets

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts (UNECE, 2004).

C. Access to training

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

D. Access to networks

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly

any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or sub sectors and of women as individuals within any given sector (Mahbub, 2000).

E. policy related factors

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

Robertson (1998), OECD (2002), ILO (2008) added that the key factors that affect women entrepreneurs' performance especially in developing continents like Africa are: vulnerability of women to adverse effects of trade reform; restraints with regard to assets(land); lack of information to exploit opportunities; and Poor mobilization of women entrepreneurs; lack of management skills; lack of awareness among young women.

2.2.4 Women entrepreneurs in Ethiopia

A national survey conducted by the Ethiopian Welfare Monitoring Unit as cited in Eshetu and Zeleke (2008) shows that women entrepreneurs in Ethiopia are not provided with adequate policy related and strategic support from the national government, and that the promotion of vibrant SMEs should be one of the most important priority strategies for empowering women, addressing abject poverty and unemployment in Ethiopia.

Businesses and enterprises operated by women contribute for economic dynamism, diversification, productivity, competition, innovation and economic empowerment of the poorest of the poor. Historically, there has been a well-established tradition of women being involved in small businesses and enterprises. However, it is only recently that women's entrepreneurship has gained the attention of economic planners and policymakers particularly in developing countries in Ethiopia. Although the national government has come to acknowledge that supporting enterprises operated by women promotes gender equality and economic empowerment, the majority of enterprises operated by women face difficulty in terms of access to finance,

resources, business skills and institutional support from the national government Ethiopian Ministry of Trade and The studies stressed that SMEs owned or operated by women in Ethiopia survive against tremendous odds of failure.

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

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According to Hadiya, these women believe they are the most neglected category of women entrepreneurs because they do not have institutional credit or other support services available to them. These women have outgrown the micro finance system and yet are not able to borrow from banks. The other profile is of the woman who, because of her higher education, previous work experience, and better economic circumstances, has access to the financial and other resources needed to start and grow larger enterprises.

Members of the Ethiopian Women Exporters’ Forum (EWEF) are illustrative of this group, although even members of the EWEF complain about inadequate access to commercial bank loans to meet their working capital needs because of the rigid requirement for collateral guarantees (which they often cannot meet). Research has shown that it is possible for women to make the transition from a micro to a small enterprise under the right circumstances. The ILO (2003) study of women in growth enterprises found that 70 per cent of the women entrepreneurs currently engaged in small enterprises had started them as micro-enterprises and grown them over time.

Eshetu and Zeleke (2008), ILO (2003) also identified that the following are the main challenges that women entrepreneurs in Ethiopia face in a sequential order from very Sevier to least important.

- Difficulty in obtaining loan from commercial banks
- failure of business/bankruptcy
- Failure to convert profit back into investment
- Shortage of technical skills
- Poor managerial skills
- Low level of education

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

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

2.3 Women entrepreneurs in MSEs

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

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

2.3.1 Role of women entrepreneurs in MSEs

With various definitions by various countries, sometimes it becomes a difficult task for an individual to understand importance of women entrepreneurs in MSEs. One may not know the important role that women entrepreneurs in SMEs plays in developing any particular sector, economy of any country, alleviating poverty, increasing employment, and, above all providing various items of daily use at an affordable cost. Within the last few years many developed and developing countries have realized the importance of the sector.

According to World Bank (2003) report Women entrepreneurs in MSEs are the engine of growth; essential for a Competitive and efficient Market; Critical for Poverty reduction; and Play a Particularly Important Role in developing Countries Furthermore; according to UNECE (2004) women Entrepreneurs in MSEs are contributing to employment growth at a higher rate than larger firms. The private sector and in particular women entrepreneurs in MSEs form the backbone of a market economy and for the transition economies in the long-term might provide most of the employment. Support for women entrepreneur's in MSEs will help the restructuring of large enterprises by streamlining manufacturing complexes as units with no direct relation to the primary activity are sold off separately.

And through this process the efficiency of the remaining enterprise might be increased as well; they curb the monopoly of the large enterprises and offer them complementary services and absorb the fluctuation of a modern economy; through inter-enterprise cooperation, they raise the level of skills with their flexible and innovative nature. Thus women entrepreneurs in MSEs can generate important benefits in terms of creating as killed industrial base and industries, and developing a well-prepared service sector capable of contributing to GDP. UNIDO(2004) added that a characteristic of women entrepreneurs in MSEs is that they produce predominantly for the domestic market, drawing in general on national resources; the structural shift from the former large state-owned enterprises to women entrepreneurs in MSEs will increase the number of

owners, a group that represents greater responsibility and commitment than in the former centrally planned economies; an increased number of women entrepreneurs in MSEs will bring more flexibility to society and the economy and might facilitate technological innovation, as well as provide significant opportunities for the development of new ideas and skills; women entrepreneurs in MSEs use and develop predominantly domestic technologies and skills; New business development is a key factor for the success of regional reconversion where conventional heavy industries will have to be phased out or be reconstructed (especially in the field of metallurgy, coalmining, heavy military equipment, etc).

2.3.2 Factors affecting the performance of women entrepreneurs in MSEs

Even though women entrepreneurs in MSEs contribute a lot for the economic development of a country, there are a number of challenges that affect them associated with different factors. For example, according to World Bank (2005), ILO (2003), (SMIDEC, 2004), women entrepreneurs in MSEs are affected by lack of entrepreneurial, managerial and marketing skills; bureaucracy and red tape; lack of accessibility to information and knowledge; difficulties accessing financial resources/Lack of capital; lack of accessibility to investment (technology equipment and know-how) ;non conformity of standardization, lack of quality awareness and lack of mutual recognition schemes ; Product and service range and usage differences ; language barriers and cultural differences ;risks in selling abroad ;competition of indigenous MSEs in foreign markets ;inadequate behaviors of multinational companies against domestic MSEs/Lack of government supply-supporting programs ;complexity of trade documentation including packaging and labeling ;lack of government incentives for internationalization of MSEs ;inadequate intellectual property protection; unfavorable legal and regulatory environments and, in some cases, discriminatory regulatory practices; lack of business premises (at affordable rent); and low access to appropriate technology Furthermore, a study made in Malaysia by APEC (1994), shows that the women entrepreneurs in MSEs are facing many challenges, which are attributed to lack of comprehensive framework in terms of policies towards MSEs development; many agencies or channels for MSEs without effective coordination (this leads to lack of transparency to the target groups) ; inadequate data and information on the development of SMEs ; inability to be in the mainstream of industrial development. Many MSEs still occupy lands or sites that are not approved to be used for industrial purposes. There is also an underutilization of technical assistance, advisory services

and other incentives made available by the government and its agencies. In addition, there is a lack of skilled and talented workers, which affects the quality of production as well as efficiency and productivity.

2.3.3 Women entrepreneurs in MSEs in Ethiopia

According to Schorling (2006), ILO (2006) in Ethiopia the idea of Micro & Small Enterprises (MSEs) development emerged as a promising agenda in the 1980s. A variety of reasons have been cited for the surge of interest in MSEs development, like:

- ✓ MSEs are a better way for poverty reduction.
- ✓ MSEs are a platform for sustainable development and productivity.
- ✓ MSEs are important actors within the trade sector and a platform for economically empowering women and men.

In November 1997 the Ethiopian Ministry of Trade and Industry has published the "Micro and Small Enterprises Development Strategy" which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs. Elements of the program include measures with regard to creating an enabling legal framework and streamlining regulatory conditions that hinder the coming up of new and expansion of existing MSEs. In addition specific support programs also include measures related to facilitating access to finance, provision of incentives, promotion of partnerships, training, access to appropriate technology, access to market, access to information and advice, infrastructure and institutional strengthening of the private sector associations and chamber of commerce.(ILO,2003).

The following definition of MSE is from the Ethiopian Ministry of Trade and Industry (1997) and is used to categorize the sector for the purpose of the strategy:

Micro Enterprises are those small business enterprises with a paid-up capital of not exceeding Birr 20 000, and excluding high technical consultancy firms and other high tech establishments.

Small Enterprises are those business enterprises with a paid-up capital of above 20,000and not exceeding Birr 50 000, -- and excluding high technical consultancy firms and other high tech establishments.

The Micro and Small Enterprises Sector is described as the national homes of entrepreneurship. It provides the ideal: environment enabling entrepreneurs to exercise their talents to the full and to attain their goals. In comparison with other countries it is known that in all the successful economies, MSEs are seen as a springboard for growth, job creation and social progress at large.

2.3.4 Women entrepreneurs' development in MSEs: difficulties and problems

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

According to GTZ (2003) women entrepreneurs in MSEs in Ethiopia are faced with a number of challenges. The following can be the main ones.

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

2.3.5 Main objectives of the women entrepreneurs' development strategy in MSEs

Schorling also identified that the primary objective of the Ethiopian strategy frame work is to create and enabling environment for women entrepreneurs in MSEs. In addition to this basic objective the following specific objectives are stated here:

- ✚ Facilitate economic growth and bring about equitable development
- ✚ Create long-term jobs
- ✚ Strengthen cooperation between women entrepreneurs in MSEs
- ✚ Provide the basis for the Medium and Large Scale Enterprises
- ✚ Balance preferential treatment between women entrepreneurs in MSEs and bigger enterprises
- ✚ Promote export

According to the Ethiopian MSE-policy sited in www.bds-ethiopia.net, the Ethio-German Micro and Small Enterprise Development Strategy focus on four priorities: Enabling Governmental, Non-Governmental (NGO) Agencies and Commercial

Business Development Services (BDS) Providers to implement efficient BDS to the Ethiopian Business Community

- Strengthen the organizational capacity of the Partner Organizations through Organizational Development in order to deliver better services to the businesses
- Training of Trainers in order to implement CEFE Trainings (Creation of Enterprises through Formation of Entrepreneurs).
- Networking with all organization (Government, NGO, BDS-Providers,
- International Donors) related to MSE Development in order to coordinate the respective activities.

2.4 Women entrepreneurs in MSEs and TVET

MSEs play a vital role in poverty reduction, employment generation as well as economic development in poor countries like Ethiopia. The Ethiopian micro & small enterprise sector has a wide range of operators: petty traders to small restaurant owners; a shoeshine boy to a small shoe factory owner; a peddler in the streets to a grocery business operator, etc. But to bring it to the modern arena, much is expected from TVET institutions in that they are the main suppliers of qualified labor force both male and women. In support of this, to bring effectiveness in the MSEs sector by integrating them with TVET

Ratchusanti (2008) identified the following.

- ✚ Strengthening Partnership with the private and government organizations and Supporting TVET projects.
- ✚ Existing the effective TVET Projects of fostering entrepreneurship or self employment of TVET students and the people.
- ✚ Integrating in teaching learning in knowledge and skill for students in writing business plan and managing the MSE.
- ✚ Establishing incubator training centers in the colleges and enhancing the smart TVET students and the lacked chance people to meet the capital investment loans to begin their business.

- ✚ Enhancing TVET students in sufficient economic, moral, work habit, career attitude and MSE concept by integrating in teaching and learning.
- ✚ Topping up skill and knowledge for the people in the community who has their own business by TVET Colleges.

Ratchusanti (2008) added that MSE sustainable development should be an integral aspect of TVET plans, projects active in teaching and learning process. However, Administration Teachers are the key for success. They need to be managers facilitators coaches, mentors, advisors, counselors, or anyone who are to make TVET students continue to learn, to improve their knowledge skill and attitude in MSE which effect to economic of the country.

In order to integrate TVET and MSEs in Ethiopia a great effort is made by GTZ. Among development cooperation initiatives that are pursued by the GTZ in Ethiopia, private sector development is one. Since private sector development and employment promotion is one of the priority areas of intervention for GTZ in Ethiopia, a number of development programs have already been propelled in this connection. The objective of the Ethio-German cooperation in the priority area is to initiate economic development by stimulating income and employment generation through coordinated intervention in the fields of TVET and MSE development as well as privatization. The approach of the Ethio-German Cooperation in the priority areas comprises of the following strategic aims to:

- ✚ Diversify and increase the relevance and quality of TVET in order to make TVET responsive to the development needs of all economic sectors in Ethiopia; in particular the private industry, urban and rural MSE sector.
- ✚ Provide access to adequate TVET for all target groups in need of training, in order to improve the capabilities of these target groups to make use of existing income and employment opportunities.
- ✚ Create a dynamic entrepreneur group as a partner in the economic development process thereby enhancing the contribution of the private sector to sustainable economic growth
- ✚ Ensure ownership of all relevant stakeholders in the planning and implementation of major policy fields, in particular TVET, the privatization policy and MSE promotion
- ✚ Relieve tied resources and enable the Government re-deploy its scarce resources and the privatization proceeds to higher priority sectors and poverty reduction programs

The TVET and SME projects have been cooperating for the fulfillment of certain objectives in the Ethio-German Cooperation of priority areas. In this connection, it can be cited that the MSE project which is involved in BDS facilitation, networking and the provision of capacity building support to public and private MSE promotional institutions is working in close collaboration with the GTZ-TVET program which is involved in system development, vocational school teachers training and assistance to Skills Development Centers (SDCs).

The unemployed youth that benefits from the program intervention of TVET is finally expected to join the private sector. Thus, there are various strings that connect the GTZ MSE Project and the TVET Program. The two programs collaborate in the inclusion of CEFE training into the curriculum of the Skill Development Centers, and in the areas of labor market information to prospective graduates of the Skill Development Centers.

While the GTZ-TVET program operates in the areas of skilled labor supply, the MSE Project works with those institutions that promote MSE sector operators. Hence TVET intervenes on the skilled labor supply side while the MSE Project works with the potential employers (private business operators).

2.5 Conceptual framework

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006).

The lack of entrepreneurial culture reflected both in education and the media are major challenges for the expansion of entrepreneurship among women and girls. These are good indicators of socio-cultural influences on individuals running their own business. (Desta Solomon 2010).

Factors that affect the performance of women entrepreneurs in MSEs include finance, market, training, land, information, managerial skills, infrastructures and raw material, social acceptability, network, prejudice or class bias, attitude, gender, culture, harassment, business assistance, related to policy makers, legal, institutional and policy constraints, money, bureaucracies, tax, incentives, training, financial, technology, raw material and facility supports.

Nevertheless, the factors must be closely monitored to ensure that stringent measures are taken within the best time to either take advantages of the opportunities or combat their threats. The relationship of independent and dependent variables can be expressed and shown in the figure below.

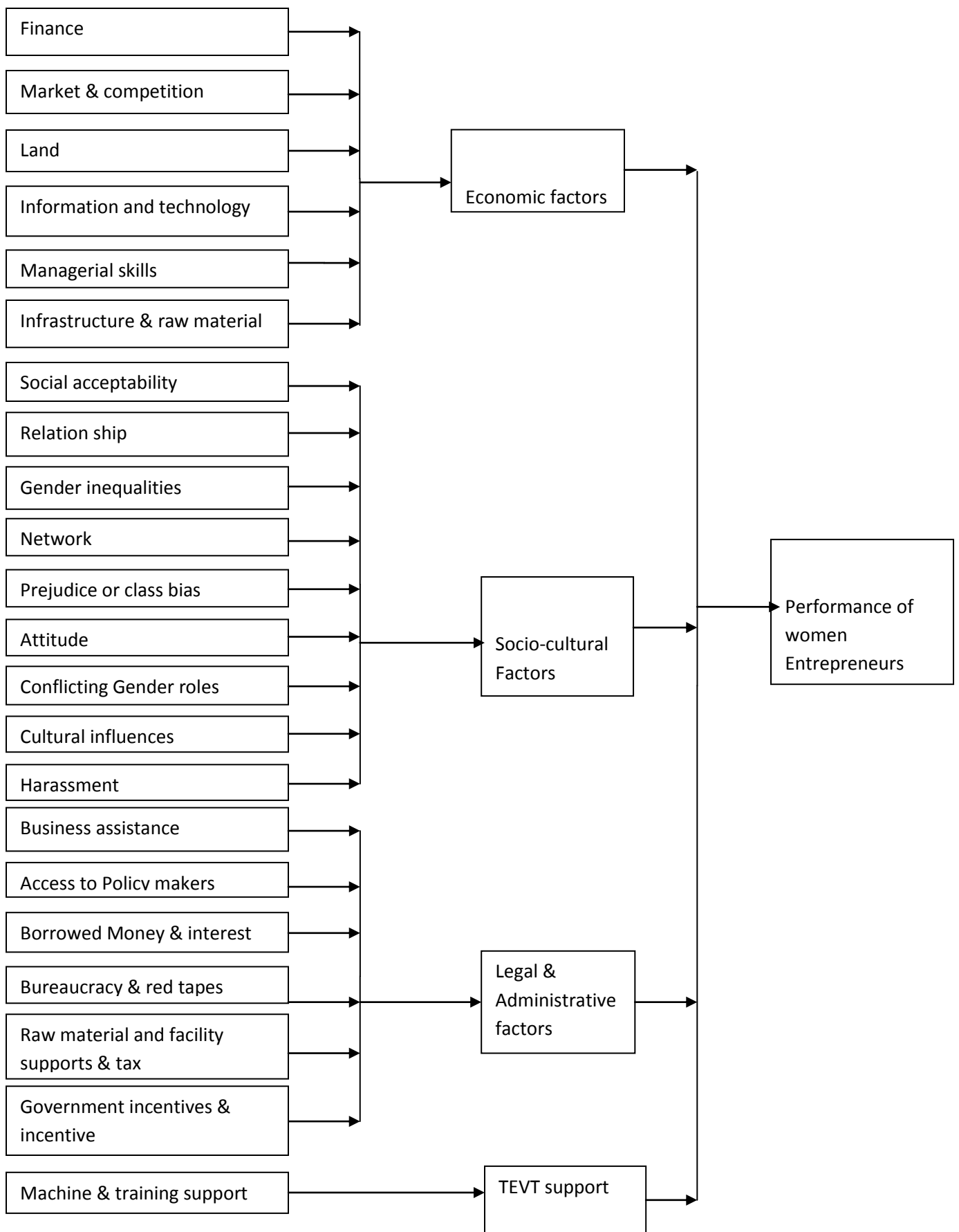


Figure 2.1.conceptual frameworks (own model)

CHAPTER THREE

Research Methodology

This chapter deals with the research design used, research approach, population, sample size, sampling procedure, data sources, data collection methods, data analysis and multiple regression were discussed very well.

The main purpose of this research is to study the relationship between performance as the dependent variable, and factors affecting the performance of women entrepreneurs as the independent variable. This section aims to achieve the research objectives as well as answers the research questions highlighted in chapter one. Out of 349 questionnaires distributed, a total of 340 were responded to out of which all 340 were valid responses. As discussed in chapter three, the required sample size for the research is 349. This returned questionnaire represents 97.4 % of the sample which was more than adequate for data analysis.

3.1 Research design

The types of research employed under this study were descriptive and explanatory research. The major purpose of descriptive research is description of the state of affairs as it exists at present. Then this study describes and critically assesses the factors affecting the performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city. Second the study employed explanatory in that the relationship between variables is correlated with an aim of estimating the integrated influence of the factors on performance.

3.2 Research approach

Depending on the philosophical stance, strategies of inquiry and specific methods, a research approach can be categorized as quantitative research approach, qualitative research approach and mixed research approach.

Quantitative research is grounded in the post-positivism knowledge claim that primarily reflects the scientific method of the natural sciences. This paradigm adopts a deductive approach to the research process. The researcher gathers data from the real world setting and then analyses the data statistically to support or reject the hypotheses (Blanchi and Durrhein, 1999). It is one in which the investigator primarily uses positivist claims for developing knowledge and its strategies of inquiries are associated with experimental and survey research methods. Creswell (2009) mentioned that experimental research seeks to determine if a specific treatment influence

an outcome. This impact is assessed by providing a specific treatment to one group and withholding it from another and then determining how both groups scored on an outcome. Therefore, pure experiment enables the researcher to manipulate an independent variable in order to see the effect on the dependent variable with the random assignment of subjects to treatment conditions while quasi experiments uses non randomized designs and it is a single subjects design.

Qualitative approach is centered on the interpretive social sciences paradigm. Qualitative methodology of investigation tends to be based on recognition of the importance of the subjective, experiential 'life-world' of human beings (Blanchi and Durrhein, 1999). Shaw (2006) described that qualitative research seeks to come to terms with meaning rather than frequency because they discover or uncover issues in order to generate ideas and hypothesis. This paradigm therefore focuses on context and capture ways in which people interpret events, experiences and relationship.

Mixed approach Creswell (2009) defined that it is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g., consequence-oriented, problem-centered, and pluralistic). It employs strategies of inquiry that involve collecting data either simultaneously or sequentially to best understand research problem. The data collection also involves gathering both numeric information (e.g., on instruments) as well as text information (e.g., on interviews) so that the final database represents both quantitative and qualitative information. As a result, when methods are combined, the advantages of each methodology complement those of the other, making a stronger research design that will yield more valid and reliable findings. Indeed, the inadequacies of individual methods are reduced.

Therefore the study deployed both qualitative and quantitative research approach (mixed approach).

3.3 Population, sample size and sampling procedures

The population of the study consists of 2719 women entrepreneurs who work in 5 sectors (manufacturing, construction, trade, service and urban agriculture sectors) of MSEs. Based on Yemane (1967:886) sample size determination formula, it is possible to determine the sample size at 95% confidence level and 0.05 precision levels.

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

Where, n is number of respondents

N is total population

E sampling error/level of precision

The total sample size of respondents based on the above sample size determination is 349.

For selecting these samples of entrepreneurs, proportionate stratified sampling used in which the 5 key sectors or focused areas that woman entrepreneurs are engaging to take as strata so as to give equal chance to each of the sectors. For microfinance and MSE heads purposive sampling used. 3 Top officials of these institutions purposely took an interview since the researcher believes that they know the condition better than others because of their day –to- day contacts with women entrepreneurs.

Table 3.1 Number of samples from each sector

| Stratum | Total number (population) | No. of sample |
|-------------------|----------------------------------|----------------------|
| Manufacturing | 868 | 111 |
| Construction | 692 | 89 |
| Service | 606 | 78 |
| Trade | 409 | 52 |
| Urban Agriculture | 147 | 19 |
| Total | 2719 | 349 |

Source: Kolfe Keraniyo sub-city MSE office.

3.4 Data sources and data collection tools

Both primary and secondary sources of data deployed for the study. The secondary data include information obtained mainly from different reports, bulletins, websites and literatures, which are

relevant to the theme of the study, gather from various sources to complement the survey-based analysis.

The primary sources of data are questionnaires distribute to women entrepreneurs and interviews conducting with MSEs and Micro finance leaders. In the interview part structured interview would be used. Interview data's were be collected from the MSEs and Micro finance leaders Questionnaires for the close ended questionnaire use the Likert type point in order to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate. The questionnaire statements were developed and evaluated on a 1-5 Likert scale , where '1' indicates strongly disagree with the statement, '2' disagree, '3' undecided, '4' agree and '5' refers to strongly agree with the statement.

3.5 Methods of data analysis

After the data has been collected, the statistical package for social science (SPSS) version 20.0 was used to analyze the data obtained from primary sources. The respondents' scores were summarized from the package and made ready for analysis. After that, it was analyzed using descriptive statistical techniques, descriptive narrations and regression analysis. The demographic profiles and items related to characteristics of women entrepreneurs were analyzed using simple statistical tools such as tables and percentages.

Tools of analysis such as spearman's rho correlation and Independent sample T test were used, for instance, to determine the relationship that exists between dependent and independent variables.

3.5.1 Descriptive Analysis

Summary statistics, which include the means and standard deviation values, are computed for each variable in the study. The descriptive statistical results were presented by tables, frequency distributions and percentages to provide a summary picture of the data.

Spearman's rho Correlation

Spearman's rho correlation coefficient was used to determine the relationships between factors affecting the performance of women entrepreneur's in economic, socio-cultural, legal & administrative and TVET factors and their level of correlation with women performance.

3.5.2 Independent sample T test and ANOVA

This method was used in order to determine whether there is significant interdependence between performances of women entrepreneurs' and the factors affecting the performance of

women entrepreneurs. Independent sample t test was used in the case of two groups, whereas ANOVA in the case of more than two group comparison was used.

3.5.3 Multiple Regression Analysis

Regression was used to describe the relationship between factors affecting the performance of women entrepreneurs. As the relationship between the independent variables was expected to be linear, the major statistical analysis that was used in this study is the ordinary least square (OLS) regression analysis (the simple regression analysis). The generic equation for OLS is expressed in form $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + e$ where: Y is the dependent variable “ α ” is a regression constant; β_1 , β_2 , β_3 and β_n are the beta coefficients; and X1, X2, X3, and Xn are the independent (predicator) variables and e is the error term. The independent variables were measured from Likert scale data collected via questionnaires and sub categorized in to four interdependent variables (economic, socio-cultural, legal and administrative and TVET supports) whereas the dependent variable was measured from Likert scale data collected via performance components questionnaires. Thus the general model for this study is:

Performance of Women = $\alpha + \beta_1$ (economic) + β_2 (socio-cultural) + β_3 (legal and Administrative) + β_4 (TVET supports) + e

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 and asking interview questions. Although all interview sessions has tried to tape-record, it was impossible as the respondents were not voluntary. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. In all cases, names are kept confidential thus collective names like ‘respondents’ were used.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.2 Results of descriptive statistics

This chapter presents the results of the study, which are based on data collected from questionnaire survey.

4.2.1 Demographic Characteristics of Respondents

In this section concise information of the respondents' demographic data in terms of age, education level, and work experience are captured. Below is table 4.1 that shows the summary of the respondents' age bracket and gender information.

Age & experience

The overall mean of age is 33 years indicating that the majority of respondents are 33 years old who are matured enough. Similarly the majority of respondents of work experience have a mean of 4 years which implies that majority of respondents have 4 years' experience.

Table 4.1 Respondents demographic profile

| 3.Educational level | Frequency | Percentage |
|----------------------------|------------------|-------------------|
| Can't read and write | 69 | 20.3 |
| Grades 1-4 | 47 | 13.8 |
| Grades 5-8 | 122 | 35.9 |
| Grades 10 complete | 51 | 15 |
| 10+1 &10+2 | 41 | 12.1 |
| 10+3 /diploma | 10 | 2.9 |
| BA/BSC & above | ---- | ---- |
| Total | 340 | 100 |
| 4. Marital status | | |
| Married | 148 | 43.5 |
| Single | 99 | 29.1 |
| Divorced | 64 | 18.8 |
| Widowed | 29 | 8.5 |
| Total | 340 | 100 |

When we see the educational level of the respondents, it is clearly seen from the table that most are within the grade level of 5-8 (35.9%). This is followed by those who cannot read and write (20.3%) and 10 completed grade (15%). The table also shows that 13.8% and 12.1% of the respondents are within 1-4 grade levels and those reach 10+1 to 10+2 levels respectively. It is only 2.9% that has a college diploma /10+3 and there is no respondents who has a degree and above. The marital status of the respondents shows that the majority are married (43.5%) followed by singles (29.1%). The remaining 18.8% and 8.5% of the respondents are divorced and widowed respectively. This shows that the entrepreneurs run their business by common sense than supporting it with scientific principles and it is also possible to guess from the fact that women entrepreneurs are married that they may have conflicting gender roles such as keeping kids since in our country context most of these responsibilities are left to women.

4.2.2 Characteristics of women entrepreneurs in MSEs and women owned enterprises

Respondents were asked 53 statements related to the characteristics of women entrepreneurs and factors affecting the performance of women entrepreneurs and 5 statements related to performance of women entrepreneurs. The results are presented below.

There are a number of distinct criteria that makes women entrepreneurs and their enterprises different from that of men entrepreneurs even though there are common elements. The following table shows the characteristics of respondents by family size, sector they are working on, the number of employees working in the enterprise, legal ownership status of the business, reasons to start own business, who initiates the business idea, source of skill for starting the enterprise and source of starting fund.

Table 4.2 Family sizes of respondents, number of employees and startup capital

| | N | Minimum | maximum | Mean | Std. Deviation |
|-------------------|-----|---------|---------|------|----------------|
| Family size | 340 | 0.00 | 6.00 | 1.82 | 1.65 |
| Number of employs | 340 | 0.00 | 13.00 | 1.90 | 2.30 |
| Start up capital | 340 | 1000 | 30,000 | 6811 | 6193 |

Table 4.2 shows the overall mean of family size have 1.82 indicating that the majority of respondents have family size of 2 implies that which is even less than the average family size in

Ethiopia that is 4.8(CSA, 1995).This is contradictory and needs further investigation. Similarly the majority of respondents of number of employees have a mean of 1.90 which implies that majority of respondents have hired 2 employees. This shows that women entrepreneurs open little employment opportunity. As it can be seen from the table above, the mean of startup capital is 6811 birr which indicates that the majority of respondents' started their business by 6811 birr.

The following table shows the Family size, number of employees and startup capital of respondents.

The following table shows the Family size, number of employees and startup capital of respondents.

Table 4.3 Sectors respondents engaged in.

| Sector | Frequency | Percentage |
|-------------------|------------------|-------------------|
| Manufacturing | 107 | 31.5 |
| Construction | 97 | 28.5 |
| Trade | 52 | 15.3 |
| Services | 72 | 21.2 |
| Urban Agriculture | 12 | 3.5 |
| Total | 340 | 100 |

It is clearly seen from table 4.3 below that majority of the respondents about 31.5% are engaged in the manufacturing sector. The construction accounts 28.5% of the respondents. The trade and urban agriculture take the remaining 15.3% and 3.5% respectively. This indicates that the manufacturing sector is increasing at an alarming rate but opens little employment opportunity.

Enterprises are created having different legal ownership statuses such as Sole ownership, joint ownership, Family business, Cooperative and others (Hisrich, 2005).The following table shows the respondents legal ownership status.

Table 4.4 Legal ownership of the enterprise

| Legal ownership status of the establishment | Frequency | Percent |
|--|------------------|----------------|
| Sole ownership | 16 | 4.7 |
| Joint owner ship /Partnership | 93 | 27.4 |
| Family business | 36 | 10.6 |
| Cooperative | 195 | 57.4 |
| Total | 340 | 100 |

As one can see from the table above, majority of the respondents about 57.4% establish their enterprise in the form of cooperatives followed by joint ownership 27.4%.The family business and sole ownership take the remaining 10.6% and 4.7% respectively. From this we can interpret the openings of Micro finances allow women to be organized under cooperatives for the purpose of acquiring finance even without collaterals. Cooperatives give these entrepreneurs an opportunity of sharing skills, knowledge and experiences for one common goal which is organizational success. (Hisrich, 2005).

The motivators to establish own business are many in number and vary from individual to individual. The following table shows the reasons that women entrepreneurs in MSEs are motivated to start their own enterprises.

Table 4.5 Reason to Start own Business

| Reasons to start own business | Frequency | Percent |
|----------------------------------|-----------|---------|
| Family tradition | 61 | 17.9 |
| To be self-employed | 94 | 27.6 |
| Brings high income | 19 | 5.6 |
| Small investment is required | 6 | 1.8 |
| No other alternative for incomes | 160 | 47.1 |
| Others | ----- | ----- |
| Total | 340 | 100 |

Table 4.5 above vividly shows that most of the respondent entrepreneurs around 47.1% establish their own business for the reason that they have no other alternatives for income.27.6% of the respondents' start their own business since they want to be self-employed. Only 1.8% of the respondents establish their own business because they believe that it requires a small investment. This is because, had these entrepreneurs be from such a family, they would not have seen starting own business as a last resort.

It is common that some start their own business with their own initiation and some others establish enterprises with family or friends as a partner.

The table below shows the initiators of women entrepreneurs to start own business..

Table 4.6 Initiators and starter of the business

| Who initiated and started the business | Frequency | Percent |
|--|-----------|---------|
| Myself alone | 182 | 35.5 |
| With the family | 61 | 17.9 |
| With a friend/partner | 97 | 28.5 |
| Total | 340 | 100.0 |

Table 4.6 clearly depicted that majority of the respondents about 35.5% start enterprises with their own initiation. Similarly, 28.5% of the respondents start businesses with their a friend /partner initiation. It is only 17.9 of the entrepreneurs establish business with an initiation of family.

In running any business, it is logical that the necessary skills are required. These skills can be acquired from different sources. The following table shows the respondents' source of skills to run their enterprises.

Table 4.7 Family entrepreneurial history and source of skill for starting the enterprise

| No | Item | Frequency | Percent |
|----|--|-----------|---------|
| 1. | Is there anyone in the family who was entrepreneur or owner of some related business activities? | | |
| | Yes | 95 | 27.9 |
| | No | 245 | 72.1 |
| | Total | 340 | 100 |
| 2. | If yes, what is your family relation with him/her | | |
| | Father | 45 | 47.40 |
| | Mother | 20 | 21.05 |
| | Brother | 17 | 17.89 |
| | Sister | 11 | 11.58 |
| | Grandfather | 2 | 2.11 |
| | Total | 95 | 100 |
| 3. | Source of skill for running your enterprise | | |
| | Through formal training | 197 | 57.9 |
| | From past experience | 43 | 12.6 |
| | From family | 52 | 15.3 |
| | From other experience | 48 | 14.1 |
| | Total | 340 | 100 |

It is possible to see from the table above that, 72.1% of the entrepreneurs respond that they have no family member who was an entrepreneur. It is only 29.7% who have an entrepreneur in their family. Of those women who respond of having an entrepreneur family, 47.4% said that their fathers are entrepreneurs. Similarly, 21.05% respond that their mother is an entrepreneur. 17.89% and 11.58% said that their brothers and sisters are entrepreneurs respectively. It is only about 2.11% who have an entrepreneur grandfather. It is also indicated in the table above that 57.9% of the respondents acquire the necessary skill for their business from formal trainings. Moreover, 15.3% and 14.4% of the entrepreneurs acquire their skills from their family and from other experiences respectively. Only 12.6% of the respondent entrepreneurs acquire the skill from past experiences.

Starting own business requires a starting capital rather the mere existence of ideas. The following table shows the main sources of start-up fund.

Table 4.8 Source of start-up funding

| Source | Frequency | Percent |
|--|-----------|---------|
| Personal saving | 29 | 8.5 |
| Household | 9 | 2.6 |
| Borrowed from relatives or friends/money Lenders | 1 | 0.3 |
| Micro finance institutions | 275 | 80.9 |
| Equb | 18 | 5.3 |
| Assistant from friends/relatives | 4 | 1.2 |
| Inheritance | 4 | 1.2 |
| Borrowed from Bank | ----- | --- |
| Assistant from NGO's | ----- | ---- |
| Total | 340 | 100.0 |

Table 4.8 shows that majority of the respondents (80.9%) use micro finances as main source of start-up funding in financing their enterprises. It is also clear that 8.5% of the entrepreneurs use personal saving as their main source of start-up funding. The table below shows that 1.2% of the entrepreneur finances their business from Assistant from friends/relatives and inheritance. Only 0.3% women entrepreneurs' Borrow from relatives or friends/money Lenders as sources of financing their business. Women entrepreneurs in MSEs do not use banks and NGOs as a source

of financing. This implies banks, NGOs and other credit institutions are not main source of start-up funding in financing their enterprises. This should be done so that the entrepreneurs In MSEs can get enough access to finance for their business activities.

4.2.3 Results of Descriptive Statistics of Factors affecting women entrepreneur's performance in MSEs

There are a number of challenges that affect women entrepreneurs in MSEs associated with different factors. The following table shows the major economic factors that affect these entrepreneurs.

1. Economic factors

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006).

Table 4.9 Economic factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | | | | | | | |
|------|--|-----|-------------------|--------------|--------------|-------------|----------------|-----------|
| 1 | Economic factor | N | Strongly Disagree | Disagree | Undecided | Agree | Strongly agree | Total (%) |
| 1.1 | I am satisfied with the financial access given by micro finance and other institutions | 340 | 135 39.7% | 110 32.4% | 84 24.7% | 2 0.6% | 9 26% | 100 |
| 1.2 | I have access to market for my products | 340 | 88 25.9% | 77 22.6% | 155 45.6% | 18 5.3% | 2 0.6% | 100 |
| 1.3 | I have access to different business trainings | 340 | 80 23.5 % | 173 50.9% | 69 20.3% | 10 2.9% | 8 2.4% | 100 |
| 1.4 | I have own my premises (land) to run my business | 340 | 137 40.3 % | 83 24.4% | 28 8.2% | 57 16.8% | 35 10.3% | 100 |
| 1.5 | I have an access to information to exploit business opportunities | 340 | 61 17.9 % | 173 50.9% | 50 14.7% | 29 8.5% | 27 7.9% | 100 |
| 1.6 | I have managerial skills | 340 | 46 13.5 % | 184 54.1% | 98 28.8% | 11 3.2% | 1 0.3% | 100 |
| 1.7 | I have access to necessary technologies | 340 | 133 39.1 % | 72 21.2% | 67 19.7% | 26 7.6% | 42 12.4% | 100 |
| 1.8 | there is no stiff competition in the market place that I am engaged in | 340 | 102 30.0 % | 157 46.1% | 56 16.5% | 21 6.2% | 4 1.2% | 100 |
| 1.9 | adequate infrastructures are available | 340 | 154 45.3 % | 39 11.5% | 50 14.7% | 61 17.9% | 36 10.6% | 100 |
| 1.10 | I have access to necessary inputs(raw materials) | 340 | 63 18.5 % | 144 42.4% | 35 10.3% | 82 24.1% | 16 4.7% | 100 |

As discussed in table 4.8 above that microfinance are the main suppliers of finance for women entrepreneurs in MSEs. But table 4.9 shows that women entrepreneurs in MSEs are not satisfied with the financial access given by micro finances and other lending institutions. It shows 135 respondents (39.7%) strongly disagree and 110 respondents (32.4%) disagree.

As the respondents 155 (45.6%) in the table above shows, the market access of the respondents entrepreneurs is almost undecided. It seems that these women neither agree nor disagree on the market condition of their products. Most women entrepreneurs in MSEs acquire their skills for establishing their own business from formal trainings (See table 4.7). But as the table above shows, the access for different business trainings for the women respondents is disagree with 173 (50.9%) and 80 (23.5%) strongly disagree. One success factor for an entrepreneur is having own premises such as land (Hisrich, 2005). Table 4.9 above shows that the respondent women entrepreneurs in MSEs do not have their own land to run their businesses. The response shows a 137 (40.3%) strongly disagree and 83 (24.4%) disagree. As the respondents 173 (50.9%) shows that, the respondent Entrepreneurs are disagree on access to information for their business opportunities.

In relation to their managerial skill in running their business, the respondents of 184 (54.1%) are disagree. With regard to technological access and market competition, the respondents of 133 (39.1%) for technology access and 157 (46.1%) for market competition shows that the respondents strongly disagree with a better technological access and with the idea that there is no stiff competition for their products. The 154 (45.3%) shows that, the respondents women entrepreneur's in MSEs strongly disagree on the availability of the necessary infrastructures around their working areas.

Lastly, the availability of necessary raw materials/inputs in the table above shows that the respondent entrepreneurs do not agree with their access to these inputs with 144 (42.4%). This also implies that the performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city are highly affected by economic factors such as lack of own premises (land), financial problems, stiff competition in the market, inadequate access to trainings, lack of technology and raw material. In similar to infrastructures and access to information are problems of women entrepreneurs in MSEs in Kolfe.

2. Socio-cultural factors

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

Table 4.10 Socio-cultural factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | N | Strongly Disagree | Disagree | Undecided | Agree | Strongly agree | Total (%) |
|------|--|-----|-------------------|-------------|--------------|--------------|----------------|-----------|
| 1.1 | I have better social acceptability | 340 | 3 0.9% | 92 27.1% | 183 53.8% | 38 11.2% | 24 7.1% | 100 |
| 1.2 | I have better contact(network) with outsiders | 340 | 92 27.1% | 80 23.5% | 107 31.5% | 49 14.4% | 12 3.5% | 100 |
| 1.3 | I have no prejudice or class biases | 340 | 72 21.2% | 71 20.9% | 54 15.9% | 90 26.5% | 53 15.6% | 100 |
| 1.4 | The societies attitude towards my products/services is positive | 340 | 12 3.5 % | 85 25% | 50 14.7% | 144 42.4% | 49 14.4% | 100 |
| 1.5 | The attitude of other employees towards my business is positive | 340 | 14 4.1% | 57 16.8% | 50 14.7% | 174 51.2% | 45 13.2% | 100 |
| 1.6 | I have a positive relationship with the Workforce | 340 | 27 7.9 % | 70 20.6% | 54 15.9% | 65 19.1% | 124 36.5% | 100 |
| 1.7 | I have no conflicting gender roles | 340 | 185 54.4% | 91 26.8% | 32 9.4% | 19 5.6% | 13 3.8% | 100 |
| 1.8 | I am not affected by gender inequalities | 340 | 73 21.5 % | 41 12.1% | 43 12.6% | 107 31.5% | 76 22.4% | 100 |
| 1.9 | I have no cultural influences | 340 | 51 15 % | 75 22.1% | 23 6.8% | 81 23.8% | 110 32.4% | 100 |
| 1.10 | I never encounter harassments in registering and operating my business | 340 | 42 12.4% | 67 19.7% | 28 8.2% | 74 21.8% | 129 37.9% | 100 |

The 183 (53.8%) of the respondents in table 4.10 shows that women do not like to decide better social acceptability. Similarly, the contact (networks) that women entrepreneurs in MSEs have with outsiders is undecided with respondents of 107 (31.5%).

However, they agree in the idea that they have no prejudices or class biases with a 90 (26.5%). Similarly, with regard to the attitude of the society towards their products/services, the respondent women entrepreneurs in MSEs do like to decide on idea that the attitude of the society is positive. On the other hand, in relation to the attitude of other employees towards their business and the relationship that these women entrepreneurs have with their employees, the table above shows that, the respondents have a positive relationship with their employee and the attitude of the employees towards the business is positive too. The respondents of 144 (42.4%) agree and 124 (36.5%) strongly agree for the attitude of employees and relationship with employees respectively clearly strengthens this idea.

But, these respondents do not agree with the idea of having conflicting gender roles. The respondents of 185 (54.4%) in the table above shows that there are different conflicting gender roles for women entrepreneurs in MSEs.

By the same, issues of gender inequality, cultural influences and harassments are not serious problems for women entrepreneurs in MSEs as the table above shows very well. The respondents agree with 107 (31.5%) that there are no gender inequalities. Similarly they agree on the issues that cultural influences and harassment problems are very low. This is justified by the 110 (32.4%) and 129 (37.9%) agree for cultural influences and harassments respectively. This result shows that conflicting gender roles, lack of social acceptability and network with outsiders are the Sever factors that affect women entrepreneurs in Kolfe Keraniyo sub-city. However, class biases, gender inequalities, attitude of employees towards the business and harassments are not problems of entrepreneurs in the sub-city in contrast to other researcher's findings. Besides to the above justifications, the reasons for such changes may be better access to media and other facilities that may change the society's attitude.

3. Legal and administrative factors

Of the different factors that hinder entrepreneurial performance, the impact of legal and administrative influences is not to be undermined. The following table displays the key legal and administrative factors that affect the performance of women entrepreneurs in MSEs.

Table4.11 Legal and administrative factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | | | | | | | |
|------|--|-----|-------------------|--------------|-------------|--------------|----------------|-----------|
| 1 | Legal & administrative factor | N | Strongly Disagree | Disagree | Undecided | Agree | Strongly agree | Total (%) |
| 1.1 | I have business assistants and supporters from government bodies | 340 | 12 3.5 % | 73 21.5% | 27 7.9% | 75 22.2% | 153 45% | 100 |
| 1.2 | I have a network with different administrative bodies | 340 | 94 27.6 % | 135 39.7% | 34 10% | 30 8.8% | 47 13.8% | 100 |
| 1.3 | I have access to policy makers | 340 | 62 18.2% | 125 36.8% | 37 10.9% | 83 24.4% | 33 9.7% | 100 |
| 1.4 | I have no legal, institutional and policy constraints | 340 | 55 16.2% | 42 12.4% | 40 11.8% | 137 40.3% | 66 19.4% | 100 |
| 1.5 | I can borrow money even without titled assets as a collateral | 340 | 188 55.3% | 72 21.2% | 16 4.7% | 41 12.1% | 23 6.8% | 100 |
| 1.6 | Interest rate charged by micro finances and other lending institutions is reasonable | 340 | 154 45.3 % | 82 24.1% | 28 8.2% | 64 18.8% | 12 3.8% | 100 |
| 1.7 | I have never encountered bureaucracies and red tapes | 340 | 12 3.5 % | 103 30.3% | 9 2.6% | 112 32.9% | 104 30.6% | 100 |
| 1.8 | I am beneficiary of government incentives | 340 | 96 28.2% | 117 34.4% | 78 22.9% | 41 12.1% | 8 2.4% | 100 |
| 1.9 | In general the overall legal and regulatory environments favorable. | 340 | 153 45% | 143 42.1% | 20 5.9% | 18 5.3% | 6 1.8% | 100 |
| 1.10 | The tax levied on my business is reasonable | 340 | 74 21.8% | 120 35.3% | 23 6.8% | 75 22.1% | 48 14.1% | 100 |

Tables 4.11 above clearly portrays the respondent women entrepreneurs in MSEs have business assistant and supports from government bodies. The respondents of 153(45%) shows that these entrepreneurs strongly agree with the issue that they have business assistants and supports from the concerned government officials.

To the contrary, these women entrepreneurs disagree with the ideas of having network with administrative bodies and access to policy makers. The respondents of 135 (39.7%) and 125 (36.8%) clearly shows their disagreement for network with outsiders and access to policy makers respectively.

Even though this is the case, agreements are seen among the respondents in relation to the inexistence of legal, institutional and policy constraints. But they strongly disagree on the idea of borrowing money even without collaterals. The respondents 137(40.3%) and 188 (55.3%) for the constraints and collateral matters respectively.

As the table shows that the interest rate charged by borrowing institutions and the tax levied on entrepreneurs is not reasonable. They strongly disagree on the reasonability of the interest rates and disagree tax amount is justified by the respondents of 154 (45.3%) and 120(35.3%)for interest and tax amount respectively.

In addition the respondents ‘strongly disagree’ that the overall legal and regulatory environments do not affect their performance with 153 (45%).With regard to government incentives 117 (34.4%) respondents disagree on it.

In relation to bureaucracies and red tapes the respondents agree that it affects their performance with 112(32.9%). this result portrays that incentives, network with administrative bodies, access to policy makers, amount of tax and interest rate charged, request of collateral for borrowing money and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the sub-city. But, issues related to government bureaucracies and red tapes, legal, instructional and policy constraints, assistance and support from government bodies are not found to be problems of women entrepreneurs in MSEs. This highlights that there are some beginnings in encouraging women entrepreneurs in MSEs even though this is not believed to be satisfactory.

4. Supports given by training institutions to women entrepreneurs in MSEs

Even though the institutions are not expected to tackle all the problems that women entrepreneurs in MSEs face, there are some supports that can be taken as a responsibilities of these heads and other related bodies. By the following table, it is tried to assess whether they are providing the required supports to MSEs or not.

Table 4.12 Summary of the supports given by training institutions to MSEs

| No. | Item | | Strongly Disagree | Disagree | Undecided | Agree | Strongly agree | Total (%) |
|-----|---|-----|-------------------|--------------|-------------|-------------|----------------|-----------|
| | Supports given by TVETs institutes to MSEs | | | | | | | |
| | Training support | | | | | | | |
| 1 | TVETs provide entrepreneurship training to MSEs | N | 113 33.2% | 126 37.1% | 42 12.4% | 24 7.1% | 35 10.3% | 100 |
| 2 | TVETs provide marketing training to MSEs | 340 | 134 39.4% | 93 27.4% | 58 17.1% | 25 7.4% | 30 8.8% | 100 |
| 3 | TVETs provide planning and financial report training to MSEs | 340 | 142 41.8% | 107 31.5% | 41 12.1% | 35 10.3% | 15 4.4% | 100 |
| 4 | TVETs provide machine maintenance training to MSEs | 340 | 114 33.3% | 106 31.2% | 26 7.6% | 69 20.3% | 25 7.4% | 100 |
| 5 | TVETs provide customer service training to MSEs | 340 | 158 46.5 % | 98 28.8% | 44 12.9% | 30 8.8% | 10 2.9% | 100 |
| 6 | TVETs provide technical skill training to MSEs | 340 | 122 35.9% | 87 25.6% | 54 15.9% | 46 13.5% | 31 9.1% | 100 |
| | Machine support | | | | | | | |
| 7 | TVETs provide machine maintenance service to MSEs | 340 | 122 35.9% | 87 25.6% | 54 15.9% | 46 13.5% | 31 9.1% | 100 |
| 8 | TVETs provide machines support(gifts) to MSEs | 340 | 126 37.1% | 73 21.5% | 44 12.9% | 59 17.4% | 38 11.2% | 100 |
| 9 | TVETs provide Financial supports to MSEs | 340 | 105 30.9% | 135 39.7% | 22 6.5% | 62 18.2% | 16 4.7% | 100 |
| 10 | TVETs provide Technology supports to MSEs | 340 | 108 31.8% | 104 30.6% | 36 10.6% | 61 17.9% | 31 9.1% | 100 |
| 11 | TVETs provide Raw material supports to MSEs | 340 | 121 35.6% | 83 24.4% | 29 8.5% | 77 22.6% | 30 8.8% | 100 |
| 12 | TVETs provide Facility(such as transportation) and furniture supports to MSEs | 340 | 140 41.2% | 93 27.4% | 38 11.2% | 58 17.1% | 11 3.2% | 100 |

In the above table, women entrepreneurs in MSEs disagree with the provision of entrepreneurial training to them with the respondents of 126 (37.1%). Similarly, respondents strongly disagree that marketing, planning and financial report training are given to them by TVET institutions/colleges. The respondents of 134 (39.4%) and 142 (41.8%) for marketing and plan/report respectively are good indicators of this.

A support to MSEs in relation to customer service is also weak. The 158 (46.5%) in table 4.14 clearly shows that respondents strongly disagree with customer service trainings supports from TVETs.

Similarly, the supports in the areas of machine maintenance and technical skill trainings seem not better as the table above portrays. Regarding machine maintenance trainings, the respondents 114 (33.3%) and technical skill training respondents 122 (35.9%) depicts that they are strongly disagree which confirms this idea.

It is clear in the table above that machine maintenance services are not given to MSEs through TVET colleges / institutes. The respondents of 122 (35.9) shows they strongly disagree in relation to machine maintenance services. Similarly The 126(37.1%) respondents' strongly disagree the idea that machines created/copied with in TVETs are given to women entrepreneurs in order to support them.

As one stakeholder in strengthening women entrepreneurs in MSEs, TVETs are also expected to support in finance, technology, raw materials and facilities. Table 4.14 above shows that, the respondent entrepreneurs do not agree with the provision of financial and raw material supports given through TVETs. The 135 (39.7%) disagree and 121 (35.9%) strongly disagree for the provision of financial and raw material supports respectively. Similarly, the respondent women entrepreneurs with 108 (31.8%) strongly disagree that technology and facility supports are given to them by TVETs. This indicates that TVETs do not give a comparable value to business trainings and other supports.

5. Co operations among MSEs, TVETs and Micro Finances

When MSEs come in to idea, it was targeted to use them as main tools in reducing poverty through the cooperative efforts of TVETS, micro finances and sub-city administrative as the interview conducted with heads of MSEs, TVET leaders and micro finance managers indicate. It was designed that *MSEs*-to perform the recruitment and selection of entrepreneurs in MSEs;

TVETs -to provide the necessary trainings to the selected entrepreneurs; micro finances- to give financial supports and sub-city administrative -to make premises (land) available to them.

In order to achieve these shared responsibilities, a common command post that includes members from all (sub-city administrative, MSEs Process owner and micro finance manager) was formed. As the interview results show, the committee has a regular meeting period; plan tasks together and follow up their achievement jointly.

However, when that come in to practice, a lot of problems were faced associated with different internal and external factors from all stakeholders. As discussed above women entrepreneurs have no their own premises (land) to run their business. This seems a problem observed from the side of the sub-city administrative as it is its responsibility. The table also shows that the financial access of the respondents is weak. This problem is associated with micro finances in that financial arrangements are their responsibilities. In relation to the training supports given by *TVETs*, still is not satisfactory and focus on some technical aspects rather than including business matters too.

The MSEs work process owner complain that trainees will not acquire the required trainings from *TVETs* .He states reasons such as shortage of trainers, trainers overloads and lack of incentives given to them as main ones. In addition shortage or raw materials, machines and budget problems are stated as reasons by the process owner. Because of these, the process owner added our trainees are forced to return back before completing and sometimes at the beginning of the training sessions. Similarly the interview conducted with the dean shows that there were problems in recruiting and selecting candidates for training in the side of MSEs. The dean stressed that proper selection mechanisms were not used in screening the candidates. They faced problems such as screening the same trainees for different training programs at different times even though there are others waiting for their turn. These problems are also reflected in borrowing money from micro finances. With regard to financial matter, an interview conducted with Kolfe micro finance shows that, those women entrepreneurs organized by MSEs have problems in returning what they have borrowed. The manager complained that they observe even borrowers that hide themselves after taking the money.

Table 4.13 Summary of indicators of performance

| No. | Item | | | | | | | |
|-----|--|-----|-------------------|--------------|-------------|-------------|----------------|-----------|
| | Indicators of performance | | Strongly Disagree | Disagree | Undecided | Agree | Strongly agree | Total (%) |
| 1 | The business is profitable | N | 66 19.4% | 116 34.1% | 34 10% | 64 18.8% | 60 17.6% | 100 |
| 2 | There is a good sales turnover | 340 | 91 26.8% | 101 29.7% | 73 21.5% | 64 18.8% | 11 3.2% | 100 |
| 3 | There is a capacity to pay obligations | 340 | 124 36.5% | 107 31.5% | 51 15% | 30 8.8% | 28 8.2% | 100 |
| 4 | My capital is growing since started | 340 | 63 18.5% | 118 34.7% | 49 14.4% | 55 16.2% | 55 16.2% | 100 |
| 5 | The asset of my business is growing Since started | 340 | 66 19.4% | 107 31.5% | 41 12.1% | 87 25.6% | 39 11.6% | 100 |

From the table 4.13 above it can be understood that the respondents of 116 (34.1%) disagreed on the profitability of the business they are engaged in. similarly, 101 (29.1%) and 124 (36.5%) of respondents showed their disagreement and strongly disagreement on good sales turnover and capacity to pay obligations respectively. regarding to the statement of capital is growing since started and the asset of the business is growing; the respondents of 118 (34.7%) and 107 (31.5%) showed their disagreement respectively.

From this we can concluded that regarding of other factors the financial performance of women entrepreneurs is not good.

4.3 Results of Inferential Statistics

4.3.1 Factors affecting performance of MSE

To understand the impact level of factors affecting women entrepreneurs and their performance the researcher engaged regression analysis. To conduct a multiple linear regression several assumptions have to be met Vouch, (2006). Among those assumptions is that the sample size should be large enough. For social science researches at least 15 respondents per independent variable are needed. For this research this assumption is met. Since 4 independent variables are used, so 60 respondents were needed and 340 respondents were used. The second assumption

that needs to be checked is normality that is, the variables have to be normally distributed. According to David Garson (2012) a common rule of thumb for test of normality is calculating for kurtosis and skewedness and they should be with the range of +2 to -2. The result of the tests for kurtosis and skewness is presented in table 4.14 below.

Table 4.14 Independence and Normality Check for Multiple Regressions

| | N | Skewness | | Kurtosis | |
|-----------------------------|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Economic Factor | 340 | .366 | .132 | -.102 | .264 |
| Social Factor | 340 | -.859 | .132 | .574 | .264 |
| Legal Administrative Factor | 340 | .278 | .132 | .632 | .264 |
| TVET Factor | 340 | .376 | .132 | -.179 | .264 |
| Performance | 340 | .449 | .132 | -.385 | .264 |
| Valid N (list wise) | 340 | | | | |

Source: Own survey result (2019)

As it can be seen from the table above, all the variables lie within the accepted range.

Furthermore the assumption for the regression model (OLS) that impacts the validity of all tests (p, t and F) is that residuals should behave to be normal. Residuals are the difference between the observed values (Y) and the predicted values (X1, X2, X3, and X4). Using SPSS normality test has been performed using a normal P-P regression residual plot the result of which can be found under appendix E. in Stata the researcher used a kernel density estimates(kdensity), standardized normal probability plot (pnorm) and quintile-normal plots (qnorm) to check the normal distribution of the residuals the result of which is presented under appendix E.

Another assumption that needs to be tested is multi co linearity check. These can be checked with the use of variance inflation factor (VIF) check. According to Hair et.al (1995), a VIF value of below 10 or 1/VIF value of greater than 0.10 is acceptable for multiple linear regressions. In this study the assumption is satisfied for all variables as presented in table 4.15 below.

Table 4.15 Multi co linearity Check

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

Source: Own survey result (2019)

To check for outliers with extreme values that could have a negative effect on estimators, the researcher has used the scatter plots of the individual predictor variables the result of which is presented under appendix E. the result of the avplot of stata shows, all independent variables are scattered in the acceptable range of the graph.

The other assumption is that there should be independence, that is independent observation is assumed in regression, in order to test Independence Durbin- Watson statistics is needed. So according to Garson the Durbin- Watson coefficient statistic should be from 1.5 to 2.5. So the result is 2.036.

Multiple linear regressions used in this model were: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Whereby: Y is the performance women entrepreneurs; α is regression constant; $\beta_1 - \beta_4$ are regression coefficients; X1 is economic factor; X2 is socio-cultural factor; X3 is legal & administrative factor; X4 TVET Supports; and, ε is error term.

R-Square is coefficient of determination and measures the proportion of the variance in the dependent variable (the performance of women entrepreneurs) that is explained by variations in the independent variables (economic, socio-cultural, legal & administrative and TVET). This implied that 41.1% of variance or correlation between dependent and independent variables. That is, 41.1% of variations or changes in the performance of women entrepreneurs are caused by factors affecting the performance of women entrepreneurs at Kolfe Keranyo sub city. However,

it does not reflect the extent to which any particular independent variable is associated with their performance.

The ANOVA result

The ANOVA statistics was used to present the regression model significance. A high value of F statistic (58.406) denotes that there is a significant positive relationship with the dependent variable (performance of women entrepreneurs) and independent variables (economic, socio-cultural, legal & administrative and TVET). And F-significance value of $p = 0.000$ was also established showing that there is a probability of 0% of the regression model presenting a false information. This infers that the overall model was significant and the variation explained by the model was not by chance.

Table 4.16 Regression Coefficients of Independent Variables

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|--------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -.057 | .190 | | -.302 | .763 |
| Economic Factor | .272 | .047 | .276 | 5.824 | .000 |
| Socio-cultural Factors | .353 | .039 | .389 | 8.988 | .000 |
| Legal & Administrative Factors | .109 | .049 | .102 | 2.243 | .026 |
| TEVT supports | .297 | .042 | .309 | 7.150 | .000 |

a. Dependent Variable: Performance of women entrepreneurs

Hence hypothesis H1 to H4 are acceptable implying that factors affecting women entrepreneurs (economic, socio-cultural, legal & administrative and TVET supports) have significant positive impact on their performance.

The regression compares the magnitude of the coefficients of the independent variables to determine which one had more effects on performance of women entrepreneurs. From Table 4.16, the following regression model is established.

$$\text{Performance} = -0.057 + 0.272X_1 + 0.353X_2 + 0.109X_3 + 0.297X_4$$

$$P = 0.000$$

Where X_1 = economic, X_2 =socio-cultural, X_3 =legal & administrative and, X_4 =TVET supports

The regression constant shows that when the independent variables (economic, socio-cultural, legal & administrative and TVET) are constant at zero, the performance of women entrepreneurs value would be -0.057. This shows that without the factors affecting the performance of women entrepreneurs, Kolfe Keranyo sub city would perform dismally.

Table 4.16 also tells us that the performance women entrepreneurs would rise by 1 with every positive increase of 0.272 in economic factors provided that other factors (socio-cultural, legal & administrative and TVET) are constant. This statistic is significant at 95% confidence level ($p = 0.000$). Socio-cultural factors would lead to an increase in performance of women entrepreneurs by factor of 0.353 with P value of 0.000 should other factors be held constant.

Additionally, holding other factors (economic, socio-cultural and TVET) constant, a unit increase in legal & administrative would lead to a 0.109 increase in the performance of women entrepreneurs at ($p = 0.026$). TVET support would lead to an increase in performance of women entrepreneurs by a factor of 0.297 and at significance level $p = 0.000$ should economic factors, socio-cultural factors, and legal & administrative factors be kept constant.

This indicates that factors affecting the performance of women entrepreneurs would positively influence their performance. From the findings, socio-cultural factors are the stepping stone for every activity within the MSEs has the highest influence on the performance of women entrepreneurs. TVET supports greatly, positively influences the performance of women entrepreneurs and is only second to socio-cultural factors. The other factors of the performance of women entrepreneurs' (economic and legal & administrative factors) also have a positive influence on their performance in their respective order.

In support of Birley's findings, women entrepreneurs in MSEs are daughters of self-employed father and are married. The fact that these entrepreneurs are daughter of self-employed father shows that women entrepreneurs in MSEs are not significant in number in the business arena. This is because the number of respondents having a self-employed grandfather or sister is insignificant. By the same logic, it is also possible to guess from the fact that women entrepreneurs are married that they may have conflicting gender roles such as keeping kids since in our country context most of these responsibilities are left to women. However, the idea that these entrepreneurs are from a middle or upper class, educated to degree level, forty to fort five at the start up and having the relevant experiences contradict with the Birley's findings. Of

course, his findings may work in most developed countries. Their total applicability in developing countries like Ethiopia is questionable.

One can reach to the conclusion that women entrepreneurs in kolfe are not from a middle or upper class. This is because, had these entrepreneurs be from such a family, they would not have seen starting own business as a last resort. Similarly, the maximum educational level that these entrepreneurs reach is 5-8th grades. This shows that the entrepreneurs run their business by common sense than supporting it with scientific principles. Regarding their age and experience, it is also possible to deduce that women entrepreneurs in MSEs in kolfe are in the age of 33 and join the business with 4 years experiences. This implies women entrepreneurs in MSEs are youngsters and within the productive age that can contribute a lot for their performance. However, the fact that they are less experienced in their areas of work may negatively affect their performance. In relation to family size, even though Shane (1997) and ILO (2003) found that women entrepreneurs have an average larger family size, this study found that the majority women entrepreneurs have a family size of 2 which is even less than the average family size in Ethiopia that is 4.8(CSA, 1995).This is contradictory and needs further investigation.

It is discussed above that women entrepreneurs are married, have no self-employed mother/sister, have low educational background and are not experienced in business. All these can lead to the conclusion that, the personal characteristics of these entrepreneurs can contribute to their low performance in addition to the economic, social, and legal/administrative factors.

UNECE (2004) reported that MSEs have a better employment opportunity than even that of larger ones. As this study shows, most women entrepreneurs in MSEs in Kolfe are engaged in the manufacturing sector and employ 2 individuals within them.

Similarly, the entrepreneurs are organized under cooperatives and use micro finances as main sources of funding. This shows the manufacturing sector is increasing at an alarming rate but opens little employment opportunity. Besides this, the openings of Micro finances allow women to be organized under cooperatives for the purpose of acquiring finance even without collaterals. Cooperatives give these entrepreneurs an opportunity of sharing skills, knowledge and experiences for one common goal which is organizational success (Hisrich, 2005).

World Bank (2005), ILO (2003),Samiti (2006), Tan (2000) and SMIDEC (2004)addressed that women entrepreneurs in MSEs are affected by a number of economic, social/cultures and

legal/administrative factors. Some of the findings of this study go in line with these and some others go against.

The performance of women entrepreneurs in MSEs in Kolfe Keraniyo sub-city are highly affected by economic factors such as lack of own premises (land), financial problems, stiff competition in the market, inadequate access to trainings, lack of technology and raw material. In similar to the findings of World Bank, ILO Samiti, Tan and SMIDEC, this study found that infrastructures and access to information are problems of women entrepreneurs in MSEs in Kolfe.

With regard to socio-cultural conditions, conflicting gender roles, lack of social acceptability and network with outsiders are the Sever factors that affect women entrepreneurs in Kolfe Keraniyo sub-city. However, class biases, gender inequalities, attitude of employees towards the business and harassments are not problems of entrepreneurs in the sub-city in contrast to other researcher's findings. Besides to the above justifications, the reasons for such changes may be better access to media and other facilities that may change the society's attitude.

In relation to legal/administrative issues, incentives, network with administrative bodies, access to policy makers, amount of tax and interest rate charged, request of collateral for borrowing money and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the sub-city. But, issues related to government bureaucracies and red tapes, legal, instructional and policy constraints, assistance and support from government bodies are not found to be problems of women entrepreneurs in MSEs. This highlights that there are some beginnings in encouraging women entrepreneurs in MSEs even though this is not believed to be satisfactory.

The supports that TVET institutes/colleges provide to women entrepreneurs in MSEs in the areas of technology, machines, technical skill trainings, facility supports, and machine maintenance trainings, marketing trainings, plan and reporting trainings, entrepreneurship trainings, financial supports, machine gifts, raw material supports and customer service trainings are weak. This indicates that TVETs do not give a comparable value to business trainings and other supports.

Therefore it is possible to conclude that, even though the establishments of different sub-city administrative services, TVETs, MSEs and micro finances institutions/college are seen in different, the problems identified in this research shows that all are not doing what is expected of them. That is the sub-city administrative in providing working premises (land), the TVETs in

training entrepreneurs, the micro finances in providing financial supports and MSEs in recruiting and selecting the youth. All these are joint responsibilities among these stakeholders in bringing women entrepreneurs in MSEs in to high performance. That is why the researcher concludes that much is not done in this regards.

The hypothesis testing was also done via regression analysis among of factors affecting the performance of women entrepreneurs (economic factors , socio-cultural factors, legal & administrative factors and TVET supports) and their performance having the correlation coefficients of 0.370, 0.413, 0.205, 0.306 respectively. This shows a positive and significant correlation at 95% confidence level ($p < 0.05$). Therefore, based on the results of the analyses, the entire alternative hypothesis was accepted.

Through regression analysis it was also concluded that 41.1% of variation in the performance of women entrepreneurs was explained by factors affecting the performance of women entrepreneurs while 58.9% of variance was unexplained by this model. It was further found that each factor affecting the performance of women entrepreneurs were significant with a regression coefficient $\beta = 0.272, 0.353, 0.109$ and 0.297 for economic factors, socio-cultural factors, legal & administrative factors and TVET supports respectively. With this result, it is statistically supported to conclude that there is a positive relationship between factors affecting the performance of women entrepreneurs and their performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of Findings

In this study, it was designed to assess the factors that affect the performance of women entrepreneurs in MSEs taking the case of Kolfe Keraniyo sub city. It was also tried to address the characteristics of women entrepreneurs in MSEs and their enterprises and the supports they acquire from TVET colleges/institutes. A sample of 340 women entrepreneurs engaged in 5 sectors was taken for the study using proportionate stratified sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the performance of women entrepreneurs in MSEs and supports MSEs acquire from TVETs was designed in a closed ended and Likert scales. Moreover, structured interviews were held with top officials of MSEs, micro finances and TVET educators. After the data has been collected, Descriptive analysis was done based on four core factors which are economic factors, socio-cultural factors, legal & administrative factors and TVET supports. Based on 340 respondents and interview results acquired from the concerned officials, the major findings of this study are summarized as follows.

- Most of the respondent women entrepreneurs are the age of 33 years old. And educational level of 5th -8th grades (35.9%) with a working experience of 4 years and their marital status are married (43.5%).
- Majority of the respondents have a family size of 2; engaged in the manufacture sector (31.5%); hire 2 employees within their organization and the legal ownership establishment of their enterprises is in the form of cooperatives (57.4%). Moreover, majority of the respondents start their own business for the reason that they have no other alternatives (47.1%). Similarly, most of these respondents start their own business by their own initiation and acquire the necessary skills through formal trainings (57.9%). Besides this, they have no entrepreneurial family (72.1%). Of those that have an entrepreneurial family, most of them have a self-employed father (47.4%). The main source of startup fund for majority of the respondents is micro finances (80.9%).

The result from spearman's correlation coefficient revealed that, there is a positive relationship between factors affecting the performance women entrepreneurs' i.e. economic factors, socio-

cultural factors, legal & administrative factors and TVET supports with the performance of women entrepreneurs.

In the ANOVA analysis, the result discovered that there is statistically significant relationship between factors affecting women entrepreneurs and their performance.

In the multiple linear regression analysis, the result found that all the factors which are economic, socio-cultural, legal & administrative and TVET supports have positive significant effect on the performance of women entrepreneurs in Kolfe Keraniyo sub city. The R square value exhibited that 41.1% of variation in their performance was explained by the factors affecting the performance of women entrepreneurs.

5.2 Conclusion

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

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

For the MSE sector to be vibrant and serve as a springboard for the growth of a strong private sector in Ethiopia training centers like TVET system that supplies disciplined and quality workforce can be considered as one of the necessary conditions. A country with poor human capital has the least chance to develop even if huge capital outlays are invested in all other productive sectors.

The production of trained workforce is as important or even may be more important than the production of goods and services. Whatever is produced in the economy to be competitive, both

in the domestic and international markets, depends on the quality of the productive workforce the country has.

Based on the results of descriptive analysis found that the performance of women entrepreneurs in Kolfe Keraniyo sub city is not good. The finding of the study established that socio cultural factors and TVET supports have relatively more positive influence on the performance of women entrepreneurs in the MSEs.

5.3 Recommendations

Enhance the potential performance of women entrepreneurs in MSEs is essential. Based on the findings and conclusions of the study, the following recommendations are forwarded.

The Addis Ababa city government bodies should provide affordable alternative sources of finance for women entrepreneurs in MSEs. This can be done by communicating with the banks, NGOs and other credit institutions to lessen their requirements. This should be done so that the entrepreneurs In MSEs can get enough access to finance for their business activities.

Moreover, to tackle the different economic, social/cultural and legal/ administrative bottlenecks they face, women entrepreneurs should make lobbies together to the concerned government officials by forming deep rooted entrepreneurs associations.

Women entrepreneurs in MSEs of the sub-city should share experiences with other entrepreneurs in other sub-cities and regions or towns so that they can learn a lot from best practices of those entrepreneurs. In addition, the current situation for finding work or competency is very difficult. Therefore, to tackle these problems the entrepreneurs should work very hard.

To make women entrepreneurs in MSEs competitive and profitable, increasing the capacity and skill of the entrepreneurs through continuous trainings, experience sharing from successful enterprises, and provision of advice and consultancy are crucial. Moreover, improved provision of necessary infrastructure and enabling the environment for business operations is generally an imperative. Uninterrupted power supply and quick transportations are basic to effective performance of these enterprises.

In the long run, for future generations of women entrepreneurs, two of the most important things are, to improve women's access to education, and effect changes in the cultural, socio-economic environment to accord them higher status and ensure more control over economic resources.

Women entrepreneurs in MSEs should have a vision and set goals when developing products in terms of what is to be accomplished, what activities are needed, what products to develop,

selection of target markets, responsibilities for which task, what resources are required and how they will be obtained, etc. (i.e. business plan); Develop training packages for product development and enable women entrepreneurs to participate in integrated training programs and encourage self- learning;

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

Financial institutions should exploit the tendency of women to repay loans more promptly than their male counterparts and develop loan products customized to women entrepreneurs. Indeed, this characteristic should make women naturally more attractive loan clients. Coordinate the support available from various actors to achieve maximum impact on enterprises owned by women to make them competitive in both local and international markets.

It is necessary and important to make gender-specific allocation of resources to women's entrepreneurship development, beyond micro- credit. Pay particular attention to the informal sector, assisting women in this sector to integrate them into the formal sector;

Greater gender mainstreaming is needed, including awareness raising on gender issues, adopting technologies that reduce women's workloads, establishing childcare centers, raising awareness of existing laws, expanding assertiveness training, etc. Enhance networking from grassroots level to international organizations.

Loan officers and market researchers need to conduct an assessment of market-based product development. Advisory services should be available to clients.

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APPENDICES

APPENDIX A

This questionnaire is designed to investigate “the factors that affect women entrepreneurs’ performance in MSEs.” The researcher kindly reminds the respondents (Women entrepreneurs in MSEs) that the response given by them will be used only as an input for the research work. In addition the researcher would like to be grateful to the respondents the sacrifices they paid in completing this questionnaire.

Note: - No need of writing your name.

PART 1: DEMOGRAPHIC INFORMATION

1. Age
2. Level of education and training
 - A. Can’t read and write
 - B. Grades 1-4
 - C. Grades 5-8
 - D. Grades 10 complete
 - E. 10+1 &10+2
 - F. 10+3 /diploma
 - G. BA/BSC and above
3. Work experience.....
4. Marital status
 - A. Married
 - B. Single
 - C. Divorced
 - D. Widowed

PART 2: CHARACTERSTICS OF WOMEN ENTREPRENEUNERS IN MSEs AND WOMENN OWENED ENTERPRISES

5. Family size.....
6. What sector is your business in?
 - A. Manufacturing
 - B. Construction
 - C. Services

- D. Trade
- E. Urban agriculture
- 7. Number of employees in the enterprise.....
- 8. What is the legal ownership status of the establishment?
 - A. Sole ownership
 - B. Joint ownership
 - C. Family business
 - D. Cooperative
- 9. Why did you prefer to start your own business?
 - A. Family tradition D. Small investment is required
 - B. To be self-employed E. No other alternative for incomes
 - C. Brings high income F. Others (Specify) -----
- 10. Who initiated and started the business?
 - A. Myself alone C. With the family
 - B. With a friend/partner D. other (specify)
- 11. How did you acquire the skill for running your enterprise?
 - A) Through formal training B) From past experience
 - C) From family C) from other experience
- 12. Is there anyone in the family who was entrepreneur or owner of some related business activities?
 - A) Yes B) No
- 13. If yes, what is your family relation with him/her?
 - A) Father B) Mother C) Brother
 - D) Sister E) Grandfather
 - F) Grandmother G) Husband H) other (specify)
- 14 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

15. How much was the startup capital.....

PART 3: FACTORS AFFECTING WOMEN ENTREPRENEURS' PERFORMANCE IN MSEs.

The major factors that affect women entrepreneurs' performance in MSEs are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below.

5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

| No | Item | Agreement scale | | | | | remark |
|-------|--|-----------------|---|---|---|---|--------|
| | | 1 | 2 | 3 | 4 | 5 | |
| 16 | Economic factors | | | | | | |
| 16.1 | Am satisfied with the financial access given by micro finances and other lending institutions. | | | | | | |
| 16.2 | I have access to market for my products | | | | | | |
| 16.3 | A have access to different business trainings | | | | | | |
| 16.4 | I have my own premises (land) to run my business | | | | | | |
| 16.5 | I have an access to information to exploit business opportunities | | | | | | |
| 16.6 | I have managerial skills | | | | | | |
| 16.7 | I have access to necessary technologies | | | | | | |
| 16.8 | There is no stiff competitions in the market place that I am engaged in. | | | | | | |
| 16.9 | Adequate infrastructures are available | | | | | | |
| 16.10 | I have access to necessary inputs(raw materials) | | | | | | |
| 17 | Social factors | | | | | | |
| 17.1 | I have a better of social acceptability | | | | | | |
| 17.2 | I have a better contacts(networks) with outsiders | | | | | | |
| 17.3 | I have no prejudice or class biases | | | | | | |

| | | | | | | | |
|-------|--|--|--|--|--|--|--|
| 17.4 | The societies attitude towards my products/services is positive | | | | | | |
| 17.5 | The attitude of other employees towards my business is positive | | | | | | |
| 17.6 | I have a positive relationship with the workforce | | | | | | |
| 17.7 | I have no conflicting gender roles | | | | | | |
| 17.8 | I am not affected by gender inequalities | | | | | | |
| 17.9 | I have no cultural influences | | | | | | |
| 17.10 | I never encounter harassments in registering and operating my business | | | | | | |
| 18 | Legal and administrative factors | | | | | | |
| 18.1 | have business assistants and supporters from government bodies | | | | | | |
| 18.2 | I have a network with different administrative bodies | | | | | | |
| 18.3 | I have access to policy makers | | | | | | |
| 18.4 | I have no legal, institutional and policy constraints | | | | | | |
| 18.5 | I can borrow money even without titled assets as a Collateral | | | | | | |
| 18.6 | Interest rate charged by micro finances and other lending institutions in reasonable | | | | | | |
| 18.7 | I have never encountered bureaucracies and red tapes | | | | | | |
| 18.8 | I am beneficiary of government incentives | | | | | | |
| 18.9 | I have never faced unfavorable legal and regulatory Environments | | | | | | |
| 18.10 | the tax levied on my business is reasonable | | | | | | |

Part 4: Support areas of TVETs to MSEs

The following are cooperation areas between MSEs and TVET, read each of the areas and evaluate your business against the points and put a tick mark (√) for your choice.

| No | Item | Agreement of scale | | | | | |
|--------|---|--------------------|---|---|---|---|--------|
| | | 1 | 2 | 3 | 4 | 5 | remark |
| 19 | Support areas of TVETs to MSEs | | | | | | |
| 19.1 | Training support | | | | | | |
| 19.1.1 | I have got entrepreneurship training from TVETs | | | | | | |
| 19.1.2 | I have got marketing training from TVETs | | | | | | |
| 19.1.3 | I have got planning and financial reporting training from TVETs | | | | | | |
| 19.1.4 | I have got machine maintenance training from TVET | | | | | | |
| 19.1.5 | I have got customer service training from TVETs | | | | | | |
| 19.1.6 | I have got technical skill training from TVETs | | | | | | |
| 19.2 | Machine support | | | | | | |
| 19.2.1 | I have got machine maintenance service from TVET | | | | | | |
| 19.2.2 | I have got machines support(gifts) from TVETs | | | | | | |
| 19.2.3 | I have got Financial supports | | | | | | |
| 19.2.4 | I have got Technology supports | | | | | | |
| 19.2.5 | I have got Raw material supports | | | | | | |
| 19.2.6 | I have got Facility an furniture supports | | | | | | |

Part five: how do you rate the profitability of women entrepreneurs in MSEs

The major assessments of women entrepreneurs’ performance in MSEs are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below.

5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

| 20 | Indicators of performance | 1 | 2 | 3 | 4 | 5 | remark |
|------|---|---|---|---|---|---|--------|
| 20.1 | The business is profitable | | | | | | |
| 20.2 | There is a good sales turn over | | | | | | |
| 20.3 | There is a capacity to pay obligations | | | | | | |
| 20.4 | My capital is growing since started | | | | | | |
| 20.5 | The asset of my business is growing since started | | | | | | |

APPENDIX B

Interview Questions with MSE heads

What problems did you face while running MSEs in relation to?

A) Economic factors

- ✓ Market
- ✓ Finance
- ✓ Technology
- ✓ Infrastructure
- ✓ Training
- ✓ Raw material & other

B) Social factors

- ✓ Public acceptance
- ✓ Attitude toward women owned businesses
- ✓ Relationship with suppliers, customers and others

C) Legal and Administration factor

- ✓ Government policy
- ✓ Bureaucracies (in relation to licensing, taxation etc.)
- ✓ Women Support

2) Your cooperation with

- ✓ Micro finances
- ✓ TVETs

3) What other problem did you face?

4) What measures did you take to solve the problems you faced?

APPENDIX C

Interview Questions with micro finance heads

1. Is there a special financial support that you give for women entrepreneur?
2. What problem did you face is relation to
 - borrowing and
 - lending
 - Collaterals
3. What measure did you take to solve the problem you faced?
4. What is your cooperation with?
 - TVET
 - MSEs

APPENDIX D

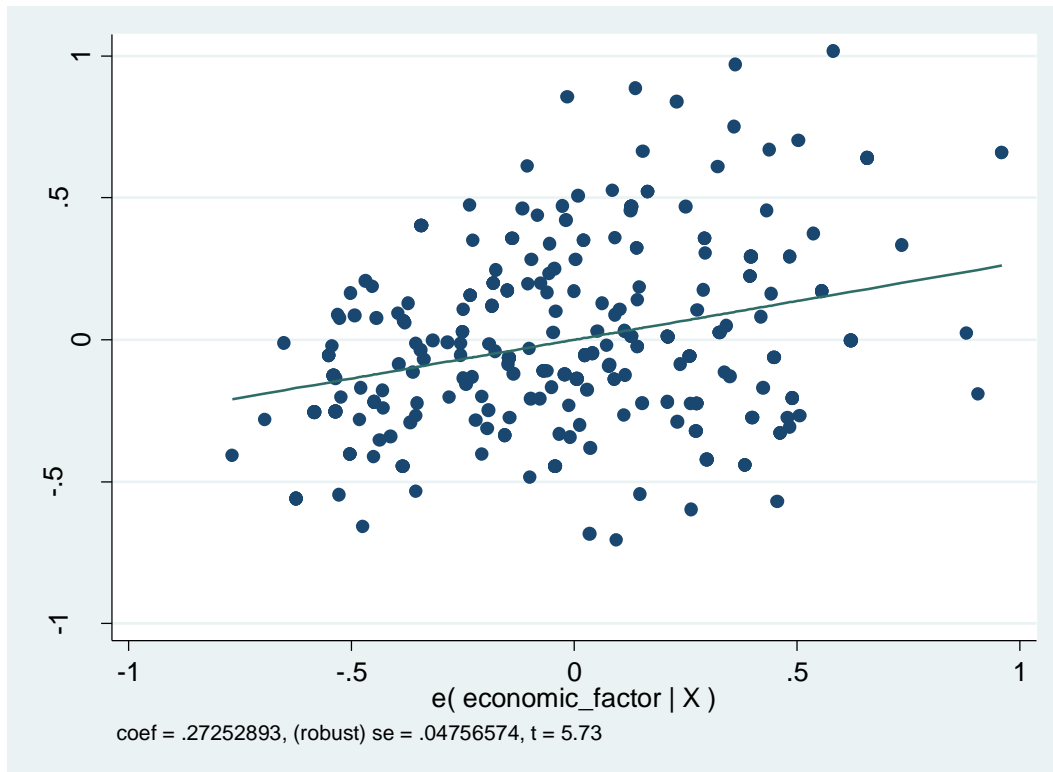
Interview Questions with TVET leaders

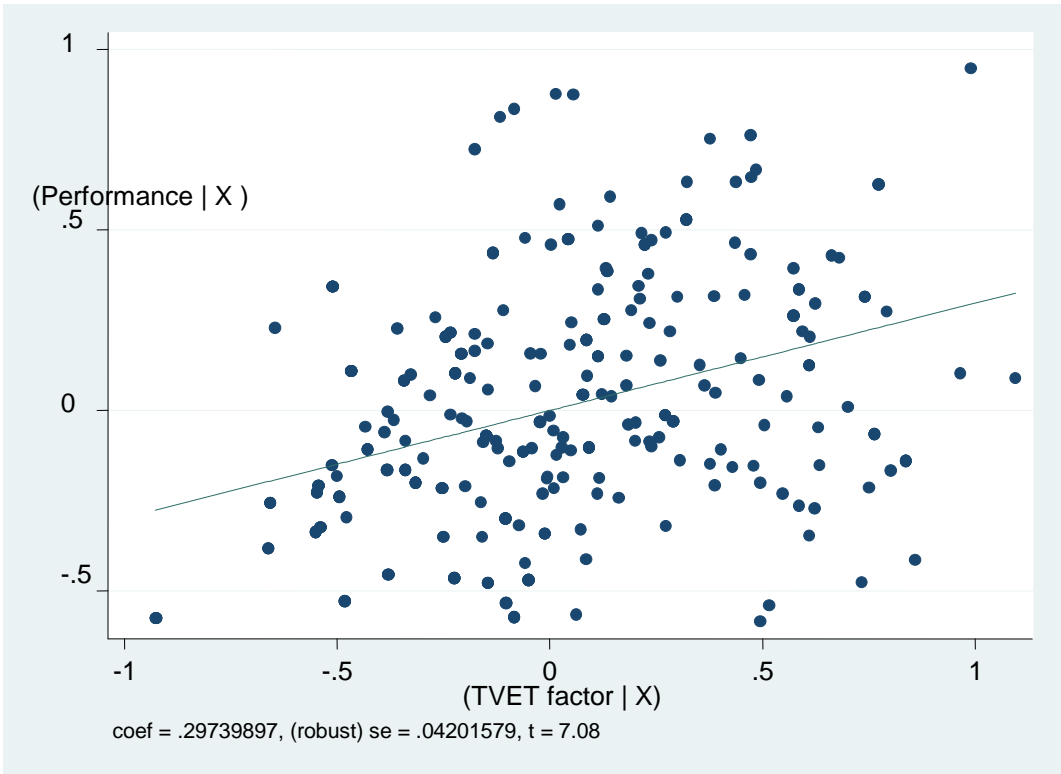
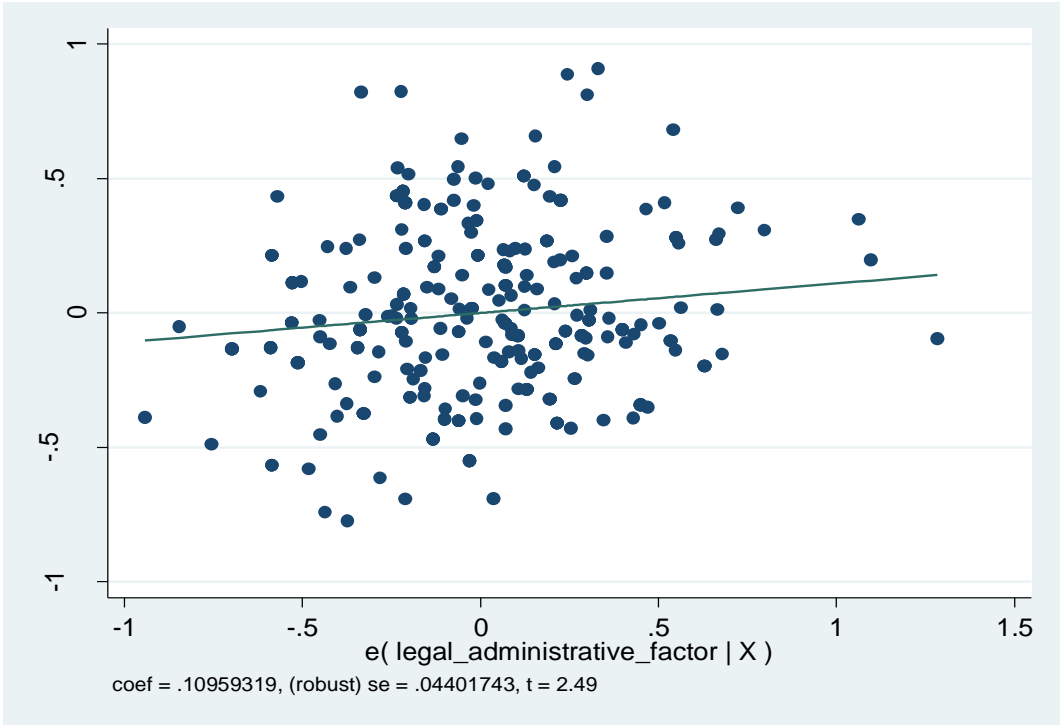
1. How do you explain the relationship you have with SMEs?
 - Do you have regular meeting periods?
2. What are the areas of support you have with TVET leaders
 - Finance
 - Training
 - Technology
 - Raw materials
 - Training and others
3. What problem did you face to work jointly with TVET?
4. What measures did you take to solve the problems you faced?
5. How is your relationship with Micro finance and MSEs and others?

APPENDIX E

Av plot of STATA

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





DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Maru Eshte (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name Signature

St. Mary's University College, Addis Ababa

April, 2019

ENDORSEMENT

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

Advisor

Signature

St. Mary's University College, Addis Ababa

April, 2019