



FACTORS AFFECTING PERFORMANCE OF WOMEN OWNED MICRO AND SMALL ENTERPRISES IN MIZAN TOWN

MATHEWOS MELESE MEKURIA, GETENET TESHOME AYALEW

Lecturer, Lecturer

Department of Management,

Mizan-Tepi University, Mizan-Aman, Ethiopia

Abstract

Background: Women owned enterprises are steadily developing in Ethiopia and they are contributing to the household income and to the growth of national economies. Despite the growing number of women entrepreneurs in Ethiopia and their contribution to the economy and reduction of societal problems, they still own and manage less small business than men. The aim of this study was to assess the factors that affect the performance of women owned micro and small enterprises in Mizan town. The research design for this study was descriptive and explanatory research. The study used all 139 women owned enterprise in Mizan town. For this study, primary data was collected through questionnaire and interview. In order to obtain information from the respondents' questionnaire was distributed for all 139 owners of the enterprise and from which 123 questionnaires were returned. The quantitative data in this research was analyzed by descriptive statistics such as frequencies, percentages, mean scores and standard deviations using statistical package for social sciences SPSS (V. 20.0). The qualitative data was analyzed using descriptive narration. Pearson correlation analysis was used to establish the relationship between the identified independent and dependent variables. The study also used multiple regression analysis to predict the dependent variable and to shows how much a unique variance in the dependent variable is explained by each of independent variables. The study found that major factors affecting the performance of women owned enterprise in the study area was Access to finance, access to infrastructure and government relate factors. The study concluded that there is significant and positive relation between independent variables (work premises, access to finance, access to infrastructure, Managerial and entrepreneurial skill, government and market related factors) and dependent variable (performance of women owned enterprises). Finally, the study recommended that micro and small enterprise office should work in collaboration with different financial institutions to create easily accessible financial environment, Mizan town micro and small enterprise office should work in collaboration with different institution in order to provide uninterrupted service for women operators and the government should move in quickly to create policies that favor the growth and expansion of women owned enterprise.

Key words: Performance, Work premise, Access to finance, Access to infrastructure, government support, managerial and entrepreneurial and marketing factors.

1. Introduction

It is obvious that micro and small enterprises (MSEs) are a crucial in the World socio economic development. Many highly industrialized countries like China and Taiwan have based their industrial development on MSEs in which they are now a role model for less developed countries on how to exploit their domestic resources, unemployed labor and domestic technologies (Chemed, 2003). Self-employment or entrepreneurship is important to socio-economic development, for increasing productivity, innovation and creating employment opportunities essentially for youth.

Aldrich (2005) globally women have started business in significantly with greater number over the past two decades; though gender inequality in entrepreneurship continuous to be prominent when compared to the traditional labor market. For example, in 2005 women comprised 56 percent of professional and technical workers and 42% of legislators, senior officials and managers (UNDP, 2012).

Women entrepreneurs in Africa are confronted with many challenges, for example, the most noticeable is the cultural value or tradition of African society. Therefore, not fully utilizing women entrepreneurs' ability is assumed to be a "vast gap" that must be addressed so that women can take their deserving leadership role in African society.

Studies have shown a positive relationship between Micro and Small enterprises and economic growth in developed countries (Harris and Gibson, 2008). However, far less research has been conducted on this relationship in developing countries. Studies in small and medium business development and performance are necessary in developing countries because of the dissimilarities in the process between developed and developing countries (Ihua, 2009). It is also essential to understand factors affecting small and medium business performance in African countries because they are significantly different from those facing developed countries. These Factors include: access to business information services, government policies and regulations availability of managerial experience, technological input in payment system and access to finance.

According to Atsede (2014), Women owned enterprises are steadily in Ethiopia and they are contributing to the household income and to the growth of national economies. Despite the growing number of women entrepreneurs in Ethiopia and their contribution to the economy and reduction of societal problem, they still own and manage less small business than men.

As it is one part of Ethiopia, Mizan town MSEs is one of the largest operating enterprises. It has started its operation in primary mission to reduce the number of unemployment and to improve the economic situation of low income productive people in Mizan town through facilitating anticipatory process and lending service. Therefore, the aim of this research was to identify the major factors that affect the performance of women owned enterprises in Mizan town in running their own businesses and recommending the appropriate measures to be taken.

1.2. Statement of the Problem

The small and medium enterprises are generally regarded as driving force of economic development, job creation and poverty reduction in developing countries. While the contribution of MSEs to development is acknowledged, women entrepreneurs may face constraints that limit their long term survival and development (Kapha, 2013).

According to World Bank (2014), major obstacle that hinders the women entrepreneurs can play in Ethiopia's Economy include limited access to vital resources such as finance, land, training, education and effective business networks. As such the contribution women entrepreneurs to the economic development is not adequately utilized in Ethiopia.

The conclusion made by Zewude & associates (2000), under the theme "Jobs, Gender and small enterprise in Africa preliminary report on women enterprise in Ethiopia" with the view to be boosting employment through small enterprise development among others confirmed that women entrepreneurs "lack strong organization and face minimum coordination" among business development service (BDS) providers.

Micro and small enterprises do not conduct market research and develop or design a product or service as per the need of customers (Zelege, 2009). For Micro and Small enterprises, lack of premises is unquestionably a serious problem. Most informal operators do not get access to suitable locations where they can get easy access to markets (HLCLEP, 2006). Further the problem of technical procedures and appropriate technology used by the firm was another factors associated with high technology of equipment and use of new technologies.

Women-owned enterprises are concentrated in the low growth segment, face challenges such as lack of business development services, poor access to finance and business networks, limited exposure to business management experience and the challenges of managing business with household and family responsibilities (Desta, 2010). Even though women entrepreneurs in Micro and small enterprise account the greatest proportion of total entrepreneurs in the country as a whole and in Mizan town in particular, there is an acute shortage of studies conducted with a specific objective of analyzing the problems of enterprises operated by women.

The contribution of micro and small enterprises in increasing job opportunities and in development of the economy is vital. Women owned enterprises are not well performing in Mizan town and some of the enterprises are leaving the business because different challenges that hinder their performance. Some of the women who are engaged in the micro and small enterprise are leaving the enterprise from time to time in the study area and their operation was not stable. The researcher was interested to identify the factors that affect the performance of women owned enterprises. Accordingly, working premises, infrastructure, finance, government support, managerial and entrepreneurial skill and market related variables was assessed.

There are many researches done regarding factors affecting the performance of Micro and Small enterprises in Ethiopia. But their main concern was on general enterprises without gender difference. The aim of this study was identifying factors affecting the performance of women owned enterprises in Mizan town only. Because, women owned enterprise in the study area was not well performing due to different factors.

1.3. Objectives of the Study

The study has the following objectives:-

- To assess the relationship between working premises and the performance of women owned micro and small enterprise
- To see the extent to which infrastructure have effect on the performance of women owned micro and small enterprise
- To see the effect of finance on the performance of women owned micro and small enterprise
- To assess the relationship between government support and the performance of women owned micro and small enterprise
- To assess the effect of managerial and entrepreneurial skill on the performance of women owned micro and small enterprise
- To assess the extent to which marketing related problems have affecting the performance of women owned micro and small enterprises

2. Review of Related Literature

2.1. Social and Economic Role of Micro and Small Enterprises

The economic recovery strategy for wealth and employment creation recognizes the great role that MSEs sector play in wealth generation, poverty reduction and employment creation. The sector contributed about 18% GDP and plays a critical role in easing foreign exchange constraint, penetrating new markets and in stimulating growth and development particularly in the rural area. The sector also acts as the seed bed for entrepreneurial pursuits and complements the process of adjustment in large enterprises by bring forward and backward linkages for products and services previously not available in the market (GOK, 2003).

In all successful economies, small enterprises are seen an essential spring board for job creation, growth and social progress. These enterprises have been recognized as the engines through which growth objectives of developing countries can be achieved. The sector is claimed to be a breeding ground for development of industrial skill and entrepreneurs. In addition, it upgrades indigenous technologies, including exploitation of locally available raw materials with lower capital, flexible to local market conditions and with fewer requirements of infrastructure development and utilities (Kokobe Seyoum, 2015).

2.2. Women Enterprise in Micro and Small Enterprises

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

Business growth is an extremely an important issue in the study of entrepreneurship. Few studies had been conducted to consider the growth of women-owned enterprises till the launch of Diana project begun in 1999 (Greene et al., 2003). There was a lack of cumulative knowledge to adequately build and conceptualize explanatory theories on the growth process of women-owned enterprises (Brush et al., 2006, p. 4) remarkably absent was an understanding of factors affecting the growth".

The effectiveness of women entrepreneurship development programs however has been disadvantaged by the fact that people are still placing too much emphasis on gender and not enough emphasis on entrepreneurship as such Policy and intervention measures like gender commendable effort, mainstreaming, nevertheless, it will take a more persistent effort to economically empower women in Ethiopia. This is because, women are not only nurture of generations they are also breadwinners of most of the households (Eigen, 1992).

2.3. Factors Affecting the Performance of Women Owned Enterprises in Micro and Small Enterprises

2.3.1. Working Premises

For MSEs, lack of premise is unquestionably a serious problem. Most informal operators do not get access to suitable locations where they can get easy access to markets. The issue of acquisition and transaction cost has become very prohibitive to the emergence of new enterprises and to the growth and survival of existing one. The issue of land provision and the land lease system has greatly limiting the chances of micro, small and medium enterprises who aspire to startup businesses (Eshetu & Mammo, 2009).

2.3.2. Access to Infrastructure

Good infrastructure facilitates has a positive effect in reducing the cost of operation. MSEs Owners in Ethiopia indicated that lack of efficient, reliable, affordable and safe infrastructure is affecting the performance of their business. The physical infrastructure facilities are not adequately developed and expanded in Ethiopia to meet the growing demand of Micro and small enterprise activities. As a result, most MSEs have problems related to business premises such as an increase in house rent, lack of basic services such as telephone lines, sewerage, water services and electricity supply (Eshetu & Mamo, 2009).

2.3.3. Access to Finance

Lack of access to finance is almost universally indicated as a key problem for Micro and small enterprises. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives who are not enough to enable MSEs undertake their business activities optimally. Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance (Mbugua et al., 2014). There are various financial challenges that face small enterprises. They include high bank charges and fees and high cost of credit. Finding start-up finance for the business is the biggest challenge that many entrepreneurs go through. Even after starting the business, getting sufficient finance to sustain business growth is another problem. Access to finance is a key issue for women entrepreneurs. According to Ongachi (2013), Women entrepreneurs often have difficult gaining access to loans.

2.3.4. Managerial and Entrepreneurial Skill

Managerial ineffectiveness influences every aspect of a business and is often believed to be the most important factor contributing to small business failure. The management skills and management concepts of business founders are deemed much more important than their technical skills and their concern about production which has resulted in an overall positive organizational performance (Lin and Yeh-Yun, 1998).

2.3.5. Government Support

Research by Matovu (2011) observes that government regulation about taxation, wages, licensing and others are among the important reasons why the informal sector business develops. Without careful attention, government policies could crush the small business sector in any economy. Owino et al., (2013), makes similar observation that governments which are not concerned with the promotion of small enterprises should examine the impact of its policies and programmes on small businesses.

2.3.6. Access to Market Related Issues

Small enterprise growth could be influenced by factors that affect its supply and demand conditions because these factors have a direct effect on costs and benefits accruing to the business. Accordingly, factors such as location and sector of the business could have a direct influence on profitability and performance of small entrepreneurs. The study by (Liedholm, 2002) on small firm dynamics in Africa suggested that businesses located in commercial districts and on roadsides were positive and statistically significant in influencing enterprise growth rates compared to enterprises located at home, the base category in his regression. Women’s ability to penetrate markets outside of their local area is affected not only by physical mobility issues, but also by the types of businesses women engage in (UDEEC, 2002). As the Tanzanian research noted: “while male entrepreneurs can travel long distances to do business, most women are inhibited by traditional roles, domestic responsibilities and cultural values” (UDEEC, 2002).

2.4. Performance of Micro and Small Enterprises

The performance of micro and small enterprises can be measured by the following indicators: increased profit, financial condition, increase customer, increase in sales volume, employee satisfaction and employee motivation (Hamzani & Achmad, 2015). According to (Rante, 2010), indicators of the performance of MSEs can be seen from four things, which are increased production, development of business units, the increase in sales volume and increased income or revenue.

Accordingly, in order to measure the performance of women owned micro and small enterprises, the performance measurements such as profitability, sales volume, number of customer and asset growth were used in this study

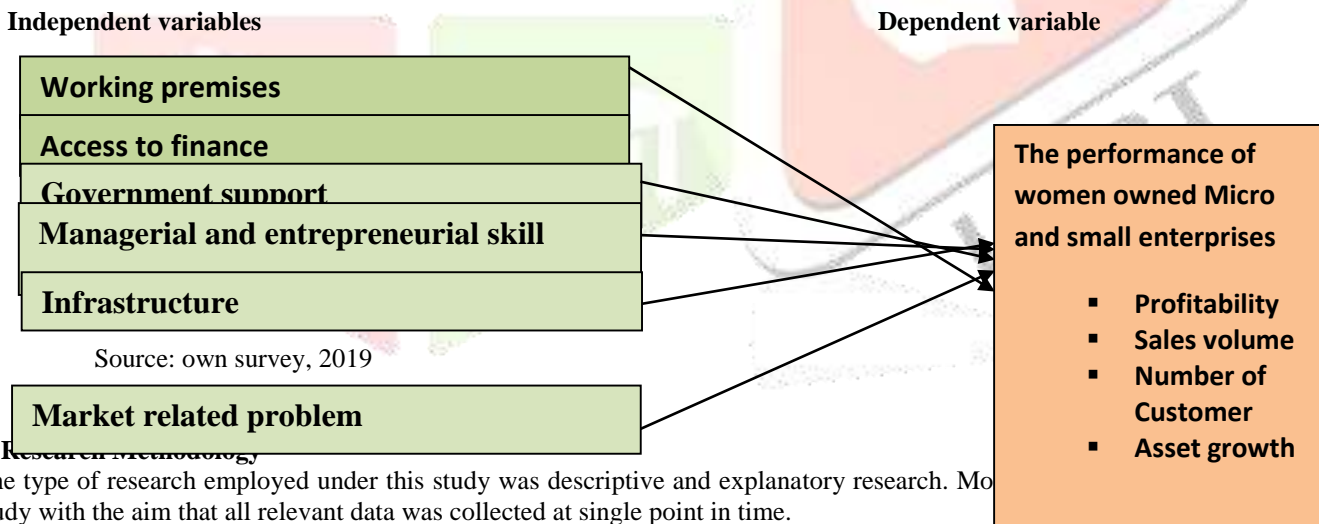
2.5. Empirical Literature Review

The findings of a study by Tushabomwe (2006), revealed that poor recordkeeping and a lack of basic business management skills are major contributors to small business failure in Africa. Lack of management experience often makes it challenging for business owners to succeed. Researchers have also identified other factors hindering the success of small businesses, such as poor bookkeeping, inexperience in the field of business and the lack of technical knowledge, poor managerial skills, lack of planning, and lack of market research.

Francis (2015) there is a great need for improving different aspects of financial services for SMEs such as seed money, leasing, venture capital, and investment funding. There is a lack of long-term loans; interest rates are still high, etc. All these limit the development of SMEs. Ongachiit & Bwisa (2013) women MSEs are experiencing low growth a few small enterprises are experiencing high growth, while the majority of micro enterprises are experiencing slow growth. The major factors that are affecting growth negatively are lack of finance. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 2008).

2.6. Conceptual Frame Work

Figure 2. 1 Conceptual frame work



3. Research methodology

The type of research employed under this study was descriptive and explanatory research. Most of the study was cross-sectional study with the aim that all relevant data was collected at single point in time.

This study was used both primary and secondary data source in order to achieve the overall objectives of the study. The primary data was collected through interview and questionnaire from women in micro and small enterprise. Secondary data sources such as written documents like books, published and unpublished literatures; manual and related materials were used as a review of related literatures.

The target populations of the study were those women in micro and small enterprises (SMEs) found in Mizan town. Accordingly, the researcher has used all 139 women owned enterprises for the study.

Table 3. 1 Number of populations in each sector

No	Type of Business	Total population
	Trade	67
	Manufacturing	43
	Service	17
	Construction	5
	Urban agriculture	7
	Total	139

Source: Mizan Micro and small enterprise sector, 2019

The data collection instrument used in this study was both questionnaire and interview

3.2. Data Processing and Method of Analysis

The statistical package for social science (SPSS) version 20.0 was used to analyze the data obtained from primary sources. Specifically, descriptive analysis (mean, standard deviation, and charts), correlation and regression were taken from this package. To ascertain whether statistically significant relationship between working premise, finance, infrastructure, government, managerial and entrepreneurial skill and market related factors with the enterprises performance, Pearson product correlation coefficient was used.

The equation of the regression on the study was built around two sets of variables namely, dependent variable and independent variables.

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

Where, Y=dependent variable-performance

X1=work premises, X2=Finance, X3=Infrastructure, X4=managerial and entrepreneurial skill, X5= Government support and X6=market related problem are the independent variables.

β_0 is the intercept term-constant which would be equal to the mean if all slope coefficient are 0. $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 are the coefficients associated with each independent variable which measures the change in the mean value of Y per unit change in their respective independent variables and ε = error term (epsilon) is a random variable.

4. Research Discussion and Findings

4.1. Response Rate

Out of the 139 questionnaires distributed 123 questionnaires were filled and returned. This gave a response rate of 88.5%.

Table 4. 1 Response rate

Response rate	Frequency	Percentage
Completed and returned	123	88.5
Not collected	16	11.5
Total	139	100

Source: Own survey, 2019

4.2. Measurement of Performance

The study sought to assess the tools used by the respondents to measure the performance of their enterprises. The finding from the respondents was presented in the following table.

Table 4. 2 Measurement of the business performance

Measurement	Frequency	Percent
Profitability	40	32.5
Pales volume	38	30.9
Number of customers	28	22.8
Asset growth	17	13.8
Total	123	100.0

Source: Own survey 2019

As it is shown in the table 4.9 above, 32.5% of the enterprise was used profitability as a measurement of business performance, 30.9% measures its business performance by using sales volume. The remaining 22.8% and 13.8% of the respondents uses number of customers and asset growth as measurement of the business performance respectively. From the finding it is concluded that majority of the enterprises measure their business performance by using profitability.

4.3. Factors Affecting the Performance of Women Micro and Small Enterprises

4.3.1. Working Premises

The study sought to determine the extent to which working premises affect the performance of women owned micro and small enterprises. The findings were indicated in the table 4.10 below.

Table 4. 3 Working premise factors that affect the performance of women owned MSEs.

	Mean	Std. deviation
I have my own premises to run my business	2.58	1.02
The working space allocated is sufficient for my business	2.65	.95
Current working place is convenient	2.52	1.12
My work location is near to market	2.72	1.11
House rent is not costly to my business	2.37	1.07
Grand mean/std. deviation	2.56	.49

Source: Own survey, 2019

The table above shows that the response to working premise factors that affect the performance of women owned micro and small enterprises. Many of the respondents were in agreement to moderate (neutral) extent with the fact that their work location is near to market place (mean=2.73, std. deviation=1.11), the working space allocated is sufficient for the business (mean=2.65, std. deviation=0.95), having own premises to run the business (mean=2.58, std. deviation=1.58) and the current working place is convenient (mean=2.52, std. deviation=1.12). However, the respondents agreed to low extent (2.37, std. deviation=1.07) that house rent is not costly to their business. In addition to that the researcher conducted interview with some of micro and small enterprise operators regarding to work premise factor that affect their enterprise performance and their response was costly house rent, inconvenient work place and lack of own premise to conduct their business. Thus, lack of own premise exposed them to costly house rent.

4.3.2. Financial Factor

Financial access among MSEs startups have been identified to be a leading challenge in which most business continue to fail due to lack of sufficient fund to support their operation.

The study sought to examine financial factor that affecting the performance of women owned enterprises.

Table 4. 4 Financial factor that affect the performance of women owned enterprise

Financial Factors	Mean	Std. deviation
Access to finance is not limited	1.81	.833
I have never encountered any bureaucracy in getting finance	1.80	.836
Finding the starting capital for my business was not challenging	1.80	.809
I have sufficient capital to expand my business	2.05	.777
Bank charges and fees are reasonable and has not hindered my accessibility to finances	2.33	1.03
I have financial management skill	2.19	.961
Grand mean/std. deviation	2.02	.475

Source: own survey, 2019

From the study, the finding reveals that most of the respondents agree to low extent with all aspects under access to finance. The respondents disagreed with the aspects that finding the starting capital for their business was not challenging with mean of 1.80 and std. deviation of .809; that they have never encountered any bureaucracy in getting finance (1.80) std. deviation (0.836); access to finance is not limited mean (1.81) std. deviation (0.83); have sufficient capital to expand their business with mean of (2.05) std. deviation (0.77); have financial management skill (2.19) std. deviation (0.96) and Bank charges and fees are reasonable and has not hindered my accessibility to finances (2.33) std. deviation (1.33). From the finding that presented on the table above and the interview result obtained from the respondents, it is clear to imply that access to finance related factors such as bureaucracy in getting finance, lack of startup capital, limited access to finance, lack of sufficient capital to expand their business and lack of financial management skill are major factors affecting the performance of women owned micro and small enterprises. Generally, the researcher concluded that finance was one of the major factors that affect the performance of women owned micro and small enterprises in the study area.

4.3.3. Infrastructural Factors

Table 4. 5 Infrastructural factor

Infrastructural factors	Mean	Std. deviation
There is sufficient and quick transportation service	2.19	1.12
Good road network is available to us and it is easy to bring our product to the market	1.98	.94
Availability of access to infrastructure improves our business performance	1.87	.95
There is sufficient electricity in the allocated working place	1.95	1.02
There is sufficient clean water in the allocated working place	2.36	.985
Availability of appropriate dry waste and sewerage system	2.89	1.21
Grand mean/std. deviation	2.2	0.51

Source: Own survey, 2019

As it is shown in the table above, most of the respondents were disagree with the item presented as availability of infrastructure improve the business performance with mean of 1.87 and standard deviation of 0.95. They also disagreed for the item stated that there is sufficient electricity to the allocated place (mean=1.95, std. deviation= 1.02), good road network is available and it is easy to bring products to the market with (mean 1.98 and std. deviation 0.94), there is sufficient and quick transportation service (mean 2.19 and std. deviation 1.12) and there is sufficient clean water in the allocated work place with mean of 2.36 and std. deviation of 0.985. In addition to that the respondents responded at neutral extent for the item stated that availability of appropriate dry waste and sewerage system with (mean=2.89, std. deviation1.21).

4.3.4. Managerial and Entrepreneurial skill factors

Table 4. 2 Managerial and entrepreneurial factors

Managerial and Entrepreneurial Factors	Mean	Std. deviation
I have good managerial skills	2.84	1.204
I get training on business management skills frequently	2.49	1.176
I have technical skills	2.81	1.104
Our firm often develop creative solutions to difficult problems	2.65	1.071
Our firm involved actively in introducing improvements and innovations to our business	2.70	1.055
I have well trained and experienced employees	2.95	1.093
I have financial ,human and material management skill	2.42	1.208
Grand mean/std. deviation	2.6945	0.51486

Source: own survey, 2019

The respondents are neutral with the aspects that they have well trained and experienced employees with mean of (2.95) std. deviation of 1.09; have good managerial skill with mean of (2.84) std. deviation (1.12); have technical skill (2.81) std. deviation (1.10); our firm involved actively in introducing improvements and innovations to our business (2.70) std. deviation (1.05); our firm often develop creative solutions to difficult problems (2.65) std. deviation (1.07); I get training on business management skills frequently (2.49) std. deviation (1.17) and I have financial ,human and material management skill (2.42) std. deviation (1.120).

4.3.5. Government Related Factors

Table 4. 3 Government factors

Government related Factors	Mean	Std. deviation
I get financial support from government for my business	1.75	.902
I have never encountered any bureaucracies	1.89	.895
I am beneficiary of government incentives	2.24	.992
There is no bias in government support	2.35	1.116
Tax levied on business is reasonable	2.15	1.174
I have business assistants and supporters from government bodies	2.72	1.388
I have no legal, institutional and policy constraints	3.12	1.340
Grand mean/std. deviation	2.31	0.46

Source: Own survey, 2019

Many of the respondents were disagreed with aspects that they get financial support from government for their business with mean (1.75) std. deviation (0.90); have never encountered any bureaucracies (1.89) std. deviation (0.895); Tax levied on business is reasonable (2.15) std. deviation (1.74); are beneficiary of government incentives (2.24) std. deviation (0.99) and there is no bias in government support (2.35) std. deviation (1.12). In addition to that some of the respondents are at neutral extent with some aspects such as they have no legal, institutional and policy constraints with mean of (3.12) std. deviation (1.34) and have business assistants and supporters from government bodies (2.72) std. deviation (1.39).

4.3.6. Market related Factor

Table 4. 4 Marketing factors

Marketing factors	Mean	Std. deviation
I have good access to the market for my products or services	2.46	.994
I have Market strategy development skill	2.52	1.027
I have Promotion strategy for my products or services for the market	2.53	.994
I have an access to information to exploit business opportunities	2.46	.969
I am able to search new market easily	2.46	.969
I have good customer relationship and handling technique	2.67	1.218
There is no stiff competitions in the market place that I am engaged in	2.32	.944
Grand mean/Std. deviation	2.535	0.485

Source: Own survey, 2019

From the study it is clearly evident that there is stiff competition in the market place that they engaged in. Accordingly, the respondents disagree with the item states that there is no stiff competition in the market place that they are operating with (2.32, 0.94). Moreover, the respondents are responded at neutral extent for the items that if they have good customer relationship and handling technique with (mean of 2.67 and Std. deviation of 1.21); promotion strategy for the products or services to the market (2.53) std. deviation (0.99); have market strategy development skill (2.52, 1.02) ; have good access to the market for their product or services (2.46, 0.99); have an access to information to exploit business opportunities (2.46, 0.97) and are able to search new market easily (2.46, 0.97).

4.4. Comparison of Factors Affecting the Performance of Women Owned Enterprise.

The following table clearly compares the overall impact of all the key factors discussed above.

Table 4. 5 Comparison of the major factors affecting the performance of Women owned micro and small enterprise.

No	Factors	Mean	Std. deviation	Rank
1.	Work premise	2.56	.49	5 th
2.	Finance	2.02	.47	1 st
3.	Infrastructure	2.20	.51	2 nd
4.	Government	2.32	.46	3 rd
5.	Managerial & Entrepreneurial	2.69	.51	6 th
6.	Market	2.53	.485	4 th

Source: Own survey, 2019

The grand mean (2.02) and std. deviation (0.47) in the table above clearly shows that Finance have sever effect on the performance of women owned enterprises followed by Infrastructural (2.20, 0.51) and government related factors (2.32, 0.46). The table also shows that the impact of managerial and entrepreneurial factors (2.69, 0.51) was better than the impact of work premise (2.56, 0.49) and Market related factors (2.53, 0.48).

4.5. Measurement of the Performance of the Enterprise

To assess the performance of women owned enterprises, the researcher used profitability, sales volume, number of customers and asset growth as a measurement tools. For this end the respondents are requested to respond the extent at which their performance is belongs to for last two years. In order to indicate their agreement they were requested to scale their business performance by using 1 to 5 scales. 5= strongly agree, 4=Agree, 3=Neutral, 2=Disagree 1=strongly disagree.

Table 4. 7 Performance of the enterprise

No	Item	Mean	Std. deviation
1.	Profitability was increased	2.97	.940
2.	Sales volume was increased	2.89	.948
3.	Number of customer was increased	2.75	1.037
4.	Asset growth was improved	2.76	.899
Grand mean/std. deviation		2.52	.386

Source: Own survey, 2019

As it was discussed in the business characteristics of enterprises, 32.5% and 30.9% of the enterprises measure their business performance using profitability and sales volume respectively. However, in relation to profitability and sales volume, respondents respond their business with mean of 2.97 and std. deviation of 0.94 and mean of 2.89 and std. deviation of 0.95 respectively. In addition to that, their response for increase in asset was mean of 2.76 and std. deviation of 0.90 and increase in number of customer was mean of 2.75 and std. deviation of 1.104. This shows that overall the business performance in the study area was rated at neutral. However, the result was average result and that shows most of the responses are bellow neutral (disagree or strongly disagree). This shows those factors discussed in the above section have effect on the performance of the enterprises.

4.6. Pearson Correlation Analysis

The finding of the study was presented in the following manner.

Table 4. 6 Pearson Correlation

Factors		Performance
Work premises	Pearson Correlation	.399*
	Sig. (2-tailed)	.000
	N	123
Access to finance	Pearson Correlation	.498**
	Sig. (2-tailed)	.000
	N	123
Access to Infrastructure	Pearson Correlation	.693**
	Sig. (2-tailed)	.000
	N	123
Managerial and entrepreneurial factors	Pearson Correlation	.345*
	Sig. (2-tailed)	.000
	N	123
Government factor	Pearson Correlation	.400*
	Sig. (2-tailed)	.000
	N	123
Market related factor	Pearson Correlation	.374*
	Sig. (2-tailed)	.000
	N	123

**Correlation is significant at the 0.01 level (2-tailed).

**Correlation is significant at the 0.05 level (2-tailed).

Source: Own survey, 2019

Result from the above table indicates the individual correlation of perceived factors affecting the performance of women owned micro and small enterprises in the study area..

4.7. Regression Analysis

In order to determine the extent to which the explanatory variables explain the variance in the explained variable, the regression analysis was used and the result was presented below.

Table 4. 7 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793	.629	.610	.24077

a. Predictors: (Constant), Market related factor, Access to finance, Work premises, and Access to Infrastructure

b. Dependent Variable: Performance

In this case as shown in model summary in Table 4.19, R= 0.793. This means there was an overall strong and positive relationship between the variables. The R-Square in the study was found to be 0.629 and Adjusted R square is 0.61. This value indicates that the independent variables (work premise, access to finance, access to infrastructure, government, managerial and entrepreneurial and marketing factors) can explain 62.9% of the variance in the performance of women owned enterprises in Mizan town. The remaining 37.1 % of the variance is explained by other variables that were not included in this study.

4.8. Coefficient of determination

The equation for the regression model was expressed as:

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

$$Y = 0.294 + 0.127 X_1 + 0.113 X_2 + 0.360 X_3 + 0.118 X_4 + 0.106 X_5 + 0.124 X_6$$

Where, Y=dependent variable-performance of the enterprise

X1=work premises, X2=Finance, X3= Infrastructure, X4=managerial and entrepreneurial factor, X5= Government, and X6=market related problem

From the model it was shown that the largest contribution for the performance of the enterprise is from infrastructure and the next largest contribution is from work premises.

Table 4. 1Result of ANOVA output

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.418	6	1.903	32.826	.000 ^b
	Residual	6.725	116	.058		
	Total	18.142	122			

a. Dependent Variable: Performance

b. Predictors: (Constant), Market related factor, Access to finance, Work premises,

On results of the output found in the ANOVA table the model is statistically significant when working premises, infrastructure, and access to finance (F=32.826, P<0.05).

4.9. Test of normality

Table 4. 8 Residual statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.7089	3.5163	2.5191	.30592	123
Residual	-.47956	.58790	.00000	.23478	123
Std. Predicted Value	-2.649	3.259	.000	1.000	123
Std. Residual	-1.992	2.442	.000	.975	123

Dependent variable: Performance

5. Conclusion and Recommendation

The study concluded that 62.9% of the variation in the enterprise performance can be explained by the independent variables (work premises, access to finance, access to infrastructure, government related factor, managerial and entrepreneurial factor and market related factor). The remaining 37.1% of the variance is explained by other variable that is not included in the study. It can be concluded that financial institutions were not easily accessible by women because of the difficult application procedures and high rate of interest and these situations led women operators to use more of the informal institutions. Therefore, lack of access to finance is the major factors factor affecting the startup and expansion of business by women enterprises in the study area. The study also conclude that the second factor affecting the performance of women owned enterprise where infrastructural factor. This factor have been strong predictor of the performance of the enterprise (with its beta value =0.36) and have strong and positive correlation with the performance of the enterprise (r=0.693, p<0.05). The government related factors were positively correlated with the performance of the enterprise and the improvement in this factor leads to improved performance of the enterprise. The study also concluded that the remaining factors such as market, managerial and entrepreneurial and work premise factors have their own contribution on the performance of the enterprise. They also have positive and significant correlation with the performance of the enterprise and have their own contribution for the prediction of the independent variable. In general the government and the city administration should help the women owned enterprises by providing working place, accessible market and provision of training facilities to reduce the challenges that women faces in the enterprise