



# Features that impacts female business visionaries in building up their own business: Ethiopia a as contextual analysis

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Abstract

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 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. This study sought to assess the factors that affect women entrepreneurs in establishing their businesses. A sample of 325 women entrepreneurs in different sectors from five towns (Assayta, Logia, Mille, Awash and Chifra) were taken for the study using snowball and simple random sampling. In the process of answering the basic questions, a questionnaire that includes demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the women entrepreneurs in MSEs was designed in an open and closed-ended and Likert scales. Moreover, interviews were held with top officials of MSEs. The study also made use of simple statistical tools such as tables and percentages. Mean and standard deviation was also calculated for analyzing the collected data. The results of the study indicate inadequate access to training and low educational background and conflicting gender roles, social acceptability and, network with outsiders were the major social factors that affect women entrepreneurs.

**Keywords:** Entrepreneurship, women entrepreneur, socio-cultural factors, education, training, business.

## INTRODUCTION

Entrepreneurs are needed to transform the hidden resources of that nation into meaningful assets. A society without men and women who are creative and innovative may face the problem of unemployment, hardship and stagnation. Entrepreneurship is the bedrock of the world's economy in that jobs and wealth are discovered by individuals who are entrepreneurial minded and able to restructure the available scarce resources into profitable ventures thereby creating jobs for themselves and others.

Entrepreneurship is so vital that it is seen as the engine of economic growth and wheel that pedal the vehicle of economic development (Moses, 2014).

Women all over the world are also innovative and entrepreneurial in nature (Farah, 2014) and African women are not an exception. As Farah (2014) stated, women produce over 80 percent of the food consumed in Africa. This shows that things had changed unlike previously when men were the primary breadwinner while

women provided for the family in the area of caring, feeding and household chores like fetching water, cooking and so on. Nowadays, women assume multiple roles by being a mother, wife, worker and an entrepreneur. Eli (2017) observes that presently, women have developed interest in entrepreneurial skills that have enabled them to take up leadership positions in their society by overcoming some physical and social barriers imposed against their success as entrepreneurs. According to Dharmaratne (2012), a large number of women today have started their own businesses and are competing favorably with their male counterparts.

Women entrepreneurs are those who play a fascinating role by consistently interacting and adjusting themselves with the financial, socio-economic and support avenues provided by the society (Iyiola and Azuh, 2014). Despite this, women entrepreneurs are underrepresented in entrepreneurship due to societal attitude that limits their ability to start certain types of business as well as barriers created by the system that keeps women entrepreneurs operating at lower levels (Farah, 2014). In Ijebu land in Ogun State for instance, one of such factors could be the *oro* festival which restricts the movement of women during that festival period. Farah (2014) went further to assert that cultures, where gender barriers exist, are likely to lose out a great deal in economic development.

Family responsibilities, marital status and religion constitute some of the factors limiting the success of women as business operators (Panda, 2018). In a study carried out in Kenya, it was found that women who are from the Islamic faith were affected in business since they were forbidden to associate with men (Wambua, 2014). In Nigeria, the issue of *purdah* in the Islamic faith (Koko et al., 2017) may hinder their success; while in some Christian homes also, the sons are introduced to business early in life and the daughters are taught to submit to their husbands and be good homemakers (Haxhiu, 2015). This implies that marriage can also limit their success in business. At the same time, fear of sexual harassment may prevent some women from travelling widely to discover opportunities and make contacts that will boost their businesses (Wambua, 2014). The study conducted by Haxhiu (2015) indicated that conflicting gender roles, social acceptability and a situation prevalent in the society where women are seen as mere housewives affect the success of female entrepreneurs. This is more so in a community where entrepreneurship is seen as an area exclusively for men based on cultural, religious and societal attitudes

A study by Aramoon (2009) investigated factors that influence women's entrepreneurship. His findings showed that level of education, level of education of close members of families, the role patterns, and entrepreneur personality significantly affected women level of entrepreneurship engagement. Studies have also shown that women entrepreneurs face obstacles in access to

training, networks and information (Koko et al., 2017). Many researchers have worked on the factors that affect women entrepreneurs like Admassie and Amha, (2008); Eshetu and Zeleke, (2008); Aramoon (2009); Awotide (2012), Niethammer (2013); Moses (2014), Iyiola and Azuh (2014); Haxhiu (2015); Balogun et al. (2016) and so many others but none of them have worked on specifically on socio-cultural and educational and training factors that affect women entrepreneurs in establishing and running their own business in Afar Region of Ethiopia. Since the social makeup and overall demographic characteristics of Afar region are different from other areas and the communities are dominantly pastoral and agro-pastoral, it is difficult to conclude based on other research works which have been conducted in other areas of the world.

### **The objective of the study**

The general aim of the study is to assess the factors affecting women entrepreneurs in running their own business.

The following were the specific objectives of the study:

- 1) To examine the socio-cultural factors that affect women entrepreneurs' entry into the business and
- 2) to assess educational and training-related factors that influence women in their new business establishment.

### **MATERIALS AND METHODS**

#### **Research approach and design**

A descriptive survey research design was employed in the study to assess the key factors that influence women entrepreneurs in establishing their own business in Assayta, Logia, Mille, Awash and Chifra towns of Afar Regional State in Ethiopia. Moreover, the study utilized cross-sectional in the sense that all relevant data were collected at a single point in time.

#### **Data type and sources**

In this study, both primary and secondary data were collected. To answer the basic questions raised a well-designed questionnaire was prepared. All questions were designed using a Likert scale, to address issues of crucial factors that influence women entrepreneurs in running their business. The Likert scale ranges from 'strongly agree' to 'strongly disagree' (5=strongly agree, 4=agree, 3=undecided, 2=disagree, and 1=strongly disagree) to not limit the response of respondents to some limited ranges.

#### **Sampling technique**

The non-probabilistic sampling (specifically snowball sampling technique) was used to select the sample for the study. Snowball sampling technique was used to find women who run their own business. The primary purpose of snowball sampling is to estimate characteristics that are rare in the total population. The sample size

was determined by using the formula of  $n = \frac{Z^2 pq}{e^2}$  which is developed by Cochran (1977) to determine the sample size for the unknown population, where  $n$  is the sample size,  $Z$  standardized normal variable and its value that corresponds to 95 % confidence interval equal 1.96 and  $e$  = allowable error (0.05). Therefore,  $n = 384$  is the minimum sample size for the women survey for a reliable result. A total of 325 women entrepreneurs were willing to respond to the questionnaire and involved in the study.

### Data analysis

Descriptive statistics were used to present and analyze the data. The Statistical Package for Social Science (SPSS) version 20 was used to analyze the data obtained from primary sources. Correctly, descriptive statistics (mean and standard deviation) were taken from this tool. The cut -off point for the mean score is 3. That means the mean scores above three ( $MS > 3$ ) were taken as an influential factor and considered (accepted) while those with a mean score of below 3 ( $MS < 3$ ) were taken as a weak factor and was not be considered (rejected).

## RESULTS AND DISCUSSION

### Socio demographic characteristics of respondents

In this section the age distribution, educational and marital status of the respondents that participated in this research finding were analyzed and interpreted.

As can be seen in Table 1, the majority of the respondents are within the age category of 21-30 years (44.0%) followed by those under the category of 31-40 years (28.9%). The remaining 7.40 and 19.7% of the respondents are under the age category of above 40 years and below 20 years respectively. This indicates that a more significant percentage of women entrepreneurs sampled are in their working age and this may have a considerable contribution to their growth.

Concerning the educational level of the respondents, it is depicted from Table 2 that most are within the grade level of 5-9 (49.2%). This is followed by those who are within grade 1-4 (22.5%) and grade 10 completed (18.8%). The table also shows that 5.8, 1.5 and 1.2% of the respondents are within 10+1 to 10+2 levels, college diploma /10+3, BSC/BA and above respectively. It is only 0.9% that cannot read and write. As the result indicates the majorities of women entrepreneurs have low educational achievement this will have a great effect in their business growth since business management requires a good educational level to assess the environments and to make an appropriate decision on the business issues. The study coincides with Vinogradov and Kolvereid (2007) study; they argue that entrepreneurs with good educational background obtain an optimum return from business activities. Evgueni and Lars added that entrepreneurs with high level of education make an effective decision and develop sustainable ventures. The marital status of the respondents shows that the majority of the respondents

were married (47.4%) followed by singles (41.5%). The remaining 7.4 and 3.7% of the respondents were divorced and widowed, respectively. This shows the majorities of entrepreneurs are married and this is good for business establishment. Besides, Solomon (2010) depicted that age and marital status make entrepreneurship necessary for women, because married women tend to involve in entrepreneurship for flexible work as well as for family, and financial need. Haxhiu, (2015) argue that social ties of married women allow them to use relations and their husband's family in entrepreneurial activities (Table 3).

### Analysis of factors affecting women entrepreneurs

In this section the data that were collected through a questionnaire in five -level Likert scales which assesses the educational and training and socio-cultural factors are analyzed by using descriptive statistics.

One of the factors that affect women entrepreneurs in the process of running their own business is educational background and training they got. Related to this Table 4 in item one shows women in the region have no frequent and required access to training. This has been supported by the mean value (3.51) and the standard deviation result (1.00). This implies that women entrepreneurs have a shortage of training. This study related with the survey made by UNECE (2004); it shows, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of essential primary and secondary education. Thus, limited access to training and development irritate women to begin and persist in entrepreneurship activities.

For entrepreneurs to perform their business activities, they need to have the necessary managerial skills. In this regard, the respondents replied that they did not get training and consultancy to improve their managerial know-how. The disagreement of women entrepreneurs respondents is shown by the mean (3.62) and standard deviation score (1.03) in the above table. The result indicates that women entrepreneurs have the problems of planning, organizing, leading and controlling their business. Therefore, lack of managerial skill will hinder their business startup and growth.

The other issue addressed in Table 4 is whether the women entrepreneurs get training and consultancy service to improve their technical know-how for their business process. For this matter as the calculated mean (3.72) and standard deviation (.94) reveals the respondents disagree with the availability of training and consultancy service to improve their technical know-how. To establish and successfully run the business, entrepreneurs are required to have skill and knowledge of managing their business. As the table shows, the respondents respond that they have no necessary

**Table 1.** Age distribution of the respondents.

Age	Frequency	Percent
Below 20	64	19.7
21-30	143	44.0
31-40	94	28.9
above 40	24	7.4
Total	325	100.0

Source: Own survey (2015)

**Table 2.** Educational Backgrounds of the Respondents.

Levels of education	Frequency	Per cent
Cannot read and write	3	.9
Grade 1-4	73	22.5
Grade 5-9	160	49.2
Grade 10 completed	61	18.8
10+1 and 10+2	19	5.8
Diploma/10+3	5	1.5
BSC/BA and Above	4	1.2
Total	325	100.0

Source: Own survey (2015).

**Table 3.** Marital status of the respondents.

Marital status	Frequency	Valid Percent
Married	154	47.4
Single	135	41.5
Divorced	24	7.4
Windowed	12	3.7
Total	325	100.0

Source: Own survey (2015).

experience and expertise to manage their business activities. The result is supported by the mean (3.71) and the standard deviation (0.98) result.

The table also depicts the educational background of the women entrepreneur respondents. In this issue as the mean (3.68) and standard deviation (0.97) results show the respondents replied that they have no required level of educational background to run their business successfully. From this one can conclude that women entrepreneurs in this region have the problem of effectively leading and maintaining their business growth and development. The finding is strengthened by the idea of Vinogradov and Kolvereid (2007) as they state entrepreneurs with a high level of education, make an effective decision and develop a sustainable venture. Kottler (2010) states that the most critical aspects of

business success rest on the marketing activities of the producers. However, as the results above show women entrepreneurs have no necessary marketing skills to run their business. The mean value (3.54) and the standard deviation (1.12) showed this.

Table 4, item 7 shows the entrepreneurs are not satisfied with the contents of the training they had received. As the result of the mean value (3.72) and standard deviation (0.91) shows they disagree with the concreteness of the content of the training they had received to equip them with required knowledge and skill to run their business effectively and efficiently.

This implies that females have limited knowledge and skill due to inappropriate content of the training they have received and these things will limit the capacity of recognizing, and taking advantage of new opportunities.

**Table 4.** Factors related to education and training.

S/N	Item	N	Mean	Std. Deviation
1	I have a frequent and the required access to training opportunities	325	3.51	1.00
2	I get training and consultancy to improve my managerial know-how	325	3.62	1.03
3	I get training and consultancy to improve my technical know-how throughout my business process	325	3.72	0.94
4	I have the required skill and knowledge to manage my business activities	325	3.71	0.98
5	I have the r educational background needed to run my business	325	3.68	0.97
6	I have the necessary marketing skills to run my business	325	3.54	1.12
7	The training I have received is concrete enough to run my business effectively and efficiently	325	3.72	0.91
8	Availability of developing programs to develop women's mastering and various experiences of entrepreneurship	325	3.64	0.96
9	Lack of training and low education level have a significant impact on running the business successfully	325	2.2	1.05

Source: Own survey (2015).

The study of Wube (2010) related with this result, the persons with access to social recognition and human capital are expected to be engaged in and taking advantage of new business opportunities

For promoting entrepreneurial activities and to ensure the development of entrepreneurs, there should be continuous developmental programs and support for them like business development service. However, the data in the above table concerning this issue show women entrepreneurs in the Afar region are yet to get developing programs to develop women's mastering and various experiences of entrepreneurship. The result is supported by the mean score (3.64) and standard deviation (0.96).

Women entrepreneur respondents were also asked to reply to their view whether lack of abandoned training and low educational level have an impact on establishing their business and being successfulness or not. As the mean value (2.2) and the standard deviation (1.05) indicates in item 9, the respondents respond that lack of training and low educational level have a significant impact on their business successfulness. As the above findings show limited access for training, lack of managerial know-how, low educational level, lack of marketing skill, absence of business development services and inappropriate and non-contentious training programs are the major problems of women entrepreneurs related to training and education. Therefore, these problems may limit women from initiating business ideas and successfully run their own business and such issues may create an obstacle to their growth.

Item 1 of Table 5 indicates that women entrepreneurs have a better contact with outsiders. This has been indicated by the mean value (2.53) and the standard deviation (1.32).

Similarly, the mean scores (3.56) and standard

deviation (.93) of the respondents in Table 5 shows that women have no better social acceptability. These imply that women entrepreneurs have significant challenges to run their own business since better contact with outsiders and social acceptability have a substantial role in easing the chance of business startup and growth. In line with this, Admassie and Amha (2008) argued that the more social capital one has in the form of contacts with entrepreneurs among friends and family, the more he or she is motivated to start and perform well in business activities.

Concerning prejudices or class biases on women entrepreneurs the respondents replied that there is a class bias in the region to support the entrepreneurs. This result helped with a mean of (3.72) and standard deviation of (0.96).As some business operators explain this in the Afar region, there is class classification; it is called "gosa". Thus if someone is a member of the gasa which has power in the governmental structure or in the traditional way he/she gets extra support to involve in different business activities. This implies that such kind of class biases demotivate women entrepreneurs' initiation to establish their own business.

Similarly, about the attitude of the society towards their products/services, the respondent women entrepreneurs in MSEs do not like to decide on the idea that the opinion of the society is positive. Instead as the mean score (3.54) and standard deviation shows (1.10), they respond that the community has no positive attitude towards the product or service produced by women entrepreneurs. This indicates that there is no market or demand for the products of women entrepreneurs and this thing makes the business startup and growth very challenging.

On the other hand, concerning the attitude of other employees towards their business and the relationship that these women entrepreneurs have with their

**Table 5.** Socio-cultural factors.

S/N	Item	N	Mean	Std. Deviation
1	I have better contacts(networks) with outsiders	325	3.53	1.12
2	I have a better social acceptability	325	3.56	0.93
3	I have no prejudice or class biases	325	3.72	0.96
4	The societies attitude towards my products/services is positive	325	3.54	1.10
5	The reaction of other employees towards my business is positive	325	2.10	1.11
6	I have a positive relationship with the workforce	325	2.01	1.22
7	I have no conflicting gender roles	325	3.51	1.32
8	I am not affected by gender inequalities	325	3.59	1.48
9	I have no cultural influences	325	3.74	1.47
10	I never encounter harassments in registering and operating my business	325	1.88	1.17
11	Lack of childcare & higher burden of household responsibilities	325	1.89	1.08
12	Lower intra-household bargaining power and less control over earnings	325	1.80	1.03

Source: Own survey (2015).

employees, the table shows that the respondents have a positive relationship with their employees and the attitude of the employees towards the business is positive too. The mean scores 2.10 and 1.11 and standard deviations 2.01 and 1.22 for view of employees and relationships with employees respectively clearly strengthen this idea.

Table 5 also depicts those women entrepreneurs that are performing their activities in MSE in the Afar region face different conflicting gender role. The result of the mean score (3.51) and standard deviation (1.32) indicates this.

The issues of gender inequality and cultural influences are also serious problems for women entrepreneurs in MSEs as the table shows. The respondents disagree with a mean of 3.55 and a standard deviation of 1.43 that there are no gender inequalities. Similarly, they disagree on the issues that cultural influences problems are not available. It is justified by the mean scores of 3.74 and a deviation of 1.47 for cultural influences. This shows that gender inequality and cultural influences one of the significant problems that affect women's business startup and growth. Therefore, such issues will affect women not to involve in different business activities, and this may also affect them not to establish their own business; and again this will influence the region's entrepreneurial promotional activities.

On the other hand, for women entrepreneurs the issue of harassment is not as such a severe problem in the region. As a result, the table shows they agree with a mean of 1.88 and standard deviation of 1.17 that they never encounter harassments in registering and operating their business.

One of the socio cultural factors that affect women entrepreneurs to establish and successfully run their own business is lack of childcare and higher burden of household responsibilities on women. Concerning this,

Table 5 shows that women entrepreneurs in the Afar region have the problem of lack of childcare services and higher burden household responsibilities on women. The mean value (1.89) and standard deviation (1.08) result strengthen this idea. This indicates that since women are busy in taking caring of the children and household responsibilities they may not deploy their time and knowledge in participating and generating entrepreneurial ideas and this will affect them to establish their own business.

Likewise, women entrepreneurs agreed that Lower intra-household bargaining power and less control over earnings are the major socio-cultural problems that affect the process of establishing and running their own business. The mean value (1.80) and the standard deviation (1.03) in Table 5 of item 12 depict this. Therefore, from this, one can assert that women frequently face gender bias in the socio-economic environment in which they operate, and they possess less bargaining power and less access to economic resources than men. These will limit them from establishing and developing their enterprises.

## Conclusion

Human capital reduces the amount of time and transaction costs which arises, from the social and economic interaction. This leads to a successful business startup. This research reveals limited access to training and development and low educational background irritate women to begin and persist in entrepreneurship activities. The core problems related to training and education that affect women entrepreneurs in the selected towns are lack of frequent and continuous, uninterrupted and required access to training opportunities, lack of

managerial, marketing and technical skills to run their business, low educational background and unavailability of developing programs to develop women's mastering various experiences of entrepreneurship.

The study also showed that women entrepreneurs that are found in the selected towns are challenged by various socio-cultural problems to establish and run their own business. The study concludes that low network with outsiders and social acceptability, class biases; gender inequality and conflicting gender role, the presence negative attitude of the societies on their products, different types of cultural influences, lack of childcare service and high burden of household responsibilities and low intra-household bargaining power and less control over earnings are the major socio-cultural problems that affect women entrepreneurs' business startup and expansion.

As the findings of the research show women have limitations that constrain their entrepreneurial activities such as family work and responsibilities, gender equalities, managerial skill, education and bureaucracy that make business startup and progress challenging. These require the government programs to include business skill training, awareness creation on socio-cultural issues and managerial skill training to enhance women entrepreneurial activities. Moreover, since women entrepreneurial activities have a potential solution of an economic and social problem, the government and concerned bodies need to be committed to enhancing women entrepreneurship through improving legislation, creating conducive business environment and making resources available for women.

## CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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