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The Impact of Major Factors on the Performance of Women Entrepreneurs in Small Enterprise Development Bureau in Colombo District of Sri Lanka

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ABSTRACT
The purpose of this article is to investigate the factors that have an impact on the performance of women entrepreneurs in Colombo district, Sri Lanka. A conceptual framework proposed by the author based on identified factors influencing the performance of women entrepreneurs through the sound literature. Self-developed structured questionnaires were distributed among women entrepreneurs who have already registered at the Small Enterprises Development Bureau in Colombo district and collected data were evaluated using Pearson correlation analysis and multiple linear regression analysis. Research results indicate that there is an impact of independent variables on dependent variable. This study is limited to several factors and scope of the study is narrowed to the Small Enterprises Development Bureau's registered women entrepreneurs who were selected through simple random sampling method. The findings suggests recommendations to enhance the performance such as promote entrepreneurial culture in Sri Lanka, improve the accessibility to finance, improve mentorship, advisory and supportive services. The study suggests that the theories regarding women entrepreneurship adopted from western developed countries should cautiously test and studied before them relating to developing Asian country like Sri Lanka.

KEY WORDS*- Entrepreneurship, Women Entrepreneurs, Financial Performance, Market Behavior, Socio-Cultural.*

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I. INTRODUCTION

The capability of the people to generate income nationally or internationally by means of entrepreneurship while creating employment opportunities to enhance the income of people and the standard of living is one of the fundamental requirements for economic progress in a country. Furthermore, this instigates more production, resulting economic growth with increased income followed by greater consumer spending a prominent part is playing by entrepreneurship for economic development of any country in the world, either developed or developing (Diaka & Asenge, 2019). This is considered as a sort of an activity that converts resources and circumstances to practice and the acceptance of risk or failure, by initiating, organizing and reorganizing of social and economic devices (Sussan & Obamuyi, 2018).

Sri Lanka considers women entrepreneurship as an important subject in the present as more than half of the its population comprise women while their active participation in the economy is only 36.5 percent (Department of Census and Statistics 2017). However, past history indicates that the contribution of women entrepreneurship to the development is very low in the Sri Lankan economy, which requires the gap of the business involvement of women to be explored since the situation remains the same (Hemalatha, 2005). Women's standard of living is improved by encouraging women for entrepreneurship which lead to economic prosperity (Ranasinghe, 2008). Hence, it is apparent that women entrepreneurs play a vital role in the present as well as in the future in a developing country like Sri Lanka. The primary objective of the research is to determine the impact of the factors on the performance of women entrepreneurs in Small Enterprise Development Bureau (SEDB) in Colombo district, Sri Lanka. Based on the sound literature, the financial economic market, socio-cultural, legal, and administrative factors selected as the independent variables by the researcher, to measure the business performance of women entrepreneurs as the dependent variable since previous researchers (Adu, 2016; Hasan & Almubarak, 2016) mostly used these main constructs. There is a considerable number of internal and external factors which have an impact on the success of women entrepreneurs in diverse methods (Ezilda & David, 2017). The research problem of the study is "Whether there is an effect of the factors on the performance of women entrepreneurs in Small Enterprises Development Bureau in Colombo district, Sri Lanka".

II. MATERIAL AND METHODS

The model based on the external environment that includes macro external factors, industry factors, competitors and market was adapted for the theoretical framework of the study (Adu, 2016). Moreover, eight independent factors that consists of industry characteristics, social-cultural, economic factors, legal-administrative factors and opportunity recognition (Hasan & Almubarak, 2016) were emphasized as relevant factors affecting the performance of Women Entrepreneurs in Small and Medium Enterprises (SMEs). Additionally, financial and non-financial dependent factors namely, profitability, sales, customer satisfaction and number of employees were highlighted by different authors (Ekype et al., 2010; Arasti et al., 2012). Besides, different variables used for numerous studies done in relation to entrepreneurship performance models emphasized (Teoh & Chong, 2007; Hossain et al., 2009).

The conceptual framework was developed by the researcher, considering the available literature to select the research variables as given below. Figure 1 presents the conceptual framework for this study.

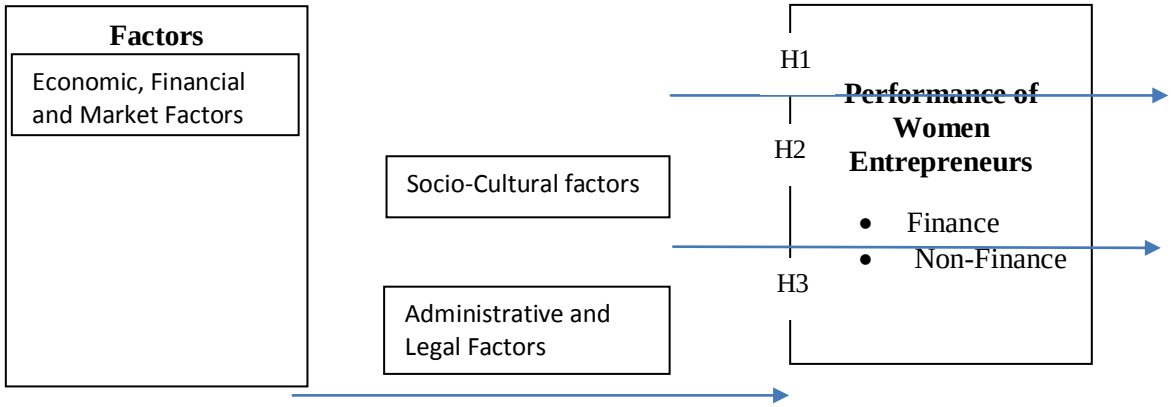

Figure 1: The Conceptual framework

This explains the research problem, questions and hypotheses relating to the research topic of the study. This conceptual model can be regarded as a model which provides the basic structure to the entire study as the researcher has developed it by herself.

There are three hypotheses formulated as given below:

H1: There is an impact of economic, financial and market factors on the performance of women entrepreneurs in SED Bureau, Sri Lanka.

H2: There is an impact of socio-cultural factors on the performance of women entrepreneurs in SED Bureau, Sri Lanka.

H3: There is an impact of legal-administrative factors on the performance of women entrepreneurs in SED Bureau, Sri Lanka.

All the women entrepreneurs of SED Bureau in Colombo District belong to the study population of the research. Due to the difficulty in accessing the entire study population, the researcher has narrowed down and chosen the target population of the 357 women entrepreneurs who are registered at the SED Bureau. Other women entrepreneurs did not considered for this study. The simple random sampling method used by the researcher to select a sample of 185 women entrepreneurs (Uma Sekaran & Boaugu, 2012). A unit of analysis of this study is individual women entrepreneur who has registered at the SED Bureau with special reference to Colombo District, Sri Lanka. Questionnaires 185 distributed as planned and 09 belonged to non-response category while 176 completed questionnaires collected. Both quantitative and qualitative data collected through primary data sources and the secondary data. The information collected through the self-developed structured questionnaire from the sample were regarded as the primary data, while official records and documents such as reports, statistical data analyses are the secondary data from the Department of Census and Statistics and Small Enterprises Development Bureau.

III. ANALYZING

All the variables satisfy the required values as per the desired levels of Cronbach's Alpha test. Chi-square values too demonstrated a significant level at the 95% of confidence level. In conclusion, it can be stated that there are no inter-correlation concerns between the different variables of the construct. The validity of the variables were tested through SPSS and in addition KMO value and Bartlett's Test Value were assessed and the Factor Matrix under each variable were identified the separately.

All the variables in the study indicate KMO values greater than 0.672 which ensures the adequacy of the sample. Moreover, BP displays a maximum factor loading of 0.885 and minimum factor loading of 0.554. FEM shows maximum factor loading of 0.937 and minimum factor loading of 0.663. SCF demonstrates maximum factor loading of 0.875 and minimum factor loading of 0.608 while LAF indicates factor loading of 0.938 and minimum factor loading of 0.726. Further Significance value of Bartlett's Test of Sphericity of all variables is less than 0.05.

Bivariate Analysis

Scatter plots

In order to examine the pair-wise association among the variables, the dependent and independent variables are marked in a single sheet to show the matrix plot. When comparison is done if all data points fall along a linear line, the independent variable can be regarded as an important predictor. The scatter plot with reference to this study indicates a positive relationship between Total factors (TF) and Total Business Performance (TBP) that ascertains when TF increase, TBP increases too.

Correlation Analysis

In order to determine the relationship between the dependent variable and the independent variables, essentially a correlation analysis is required to be conducted. Since there were normally distributed residuals in the model of this study, correlation analysis was carried out by means of the parametric analysis and Pearson correlation method. The results of this study shows that there is a positive relationship between independent variables namely, Financial Economic Market (FEM) factor , Social and Cultural Factors (SCF), Legal and Administrative Factor (LAF) and the dependent variable of Business Performance (BP) having "r" value of more than 0.3 at the significance level of 0.01 (2-tailed test). The results of correlation analysis indicates that there is a strong positive relationship between FEM and TBP, displaying a correlation coefficient of 0.811 where the significant level is less than 0.05 (p= 0.000). Similarly, having the correlation coefficient of 0.756, when the significant level is less than 0.05(p= 0.000), indicates a strong positive relationship between SCF and TBP. Further, a strong positive link is observed between LAF and TBP illustrating the correlation coefficient of 0.738 where the significant level is less than 0.05 (p= 0.000).

Subsequently, the results of this study shows that an increase of FEM, SCF, and LAF lead to enhance the TBP of respondents. FEM can be recognized as the variable that has the greatest most influence on TBP of women entrepreneurs as per Pearson correlation model, since it has the highest correlation with TBP among women entrepreneur.

Multiple Regression Analysis

In order to examine the impact of independent variables (FEM, SCF and LAF) on dependent variable (BP) the multiple linear regression analysis was conducted. The value of R-Square indicates the percentage variation of the dependent variable (BP) as articulated by all the independent variables (FEM, SCF, LAF). The R^2 value was indicated as 0.88 in the model summary, which means 88% of the variation of total performance (TBP) is affected by financial economic market (FEM), socio-cultural (SCF) and legal and administrative (LAF). Moreover, Durbin Watson statistics was pronounced to be 1.892, very close to 2 which demonstrates that there is no issue of autocorrelation.

The ANOVA test indicates that at the 95% significant level F statistic of 431.480 is significant (Sig value <0.001 is smaller than α 0.05). Hence as a result of that model is statistically significant. The Variance Influence Factor (VIF) values pertaining to all the independent variables are less than 10 (VIF<10) which specify that there is no multicollinearity concern regarding the model. Consequently, this can be considered as a valid regression model which was formulated to recognize the impact of independent variables on BP of women entrepreneurs.

Therefore the model 1 can be constructed as; BP = -0.543 + 0.537FEM + 0.367SCF + 0.195LAF+ Error.

The multiple regression model with three predictors indicate R2 = 0.880, F= 431.480 and p-value" < 0.05. The impact of variables were explained using standardized coefficients (beta values). The significant positive regression weights demonstrated by FEM, SCF, and LAF, which displays that respondent having higher scales on these variables, intend to have higher TBP. Subsequently all variables tend to demonstrate "p values" of coefficients to be less than 0.05, which proves that the relationship is significant. The overall quality of the prediction is demonstrated by R2 value it can be depicted that the model describes the minority (less than 50 percent) of the total variance. Further FEM, SCF and LAF together describe 88 percent of the total variance of BP. Furthermore, all the independent variable values are significant at 95% of the confidence interval. Hence, the analysis supports all the hypotheses.

IV. RESULTS

The main objective of the research study is to discover the factors that have an impact on the performance of women entrepreneurs. The three main variables selected as per literature, which describe the factors, are FEM, SCF and LAF. The first research objective of this study is to examine the impact of financial economic market factors (FEM) on the performance (BP) of women entrepreneurs in the Colombo District, Sri Lanka. The evidence complies with the developed alternative hypothesis which explains that FEM has an impact on TBP of women entrepreneurs in Colombo District, Sri Lanka. This study, revealed that the mean is 3.36 and the Standard Deviation is 0.88 in relation to FEM of the selected sample of women entrepreneurs. This reveals that the average value of FEM of women entrepreneurs vary between 2.48 (3.36-0.88) and 4.24 (3.36+0.88).

The scatter plot depicts that there is a positive relationship between FEM and TBP. The correlation coefficient (r) is 0.811, which is greater than 0.3. The F-value from ANOVA table is 431.480 while the degrees of freedom remain 3 and 173. The probability of type 1 error or the p-value is lower than 0.001. Hence, a greater F- value, along with a smaller P-value (<0.05), entails that TBP depends on TEF. Since the coefficient of determination, R2 is 0.880, 88% of the variation in TBP can be effected by TEF. Durbin Watson value is 1.885, where a value of 2 indicates no issue of autocorrelation. As the Regression equation explained, for every unit increase of FEM, TBP tend to be increased by 0.537. Moreover, all the independent variables depict VIF values less than 10 (VIF<10) which denotes that there is no multicollinearity issue regarding the model.

In addition, any outliers were not indicated in the case wise diagnostics procedure and the test of normality revealed that the residual can be presumed to be normal. Hence, it can be established that FEM has an impact on TBP. There is many empirical evidence of previous findings which are compatible with the results of this present study. Economic and Market Factors of this study shown the most important factors for the women entrepreneurs and ultimately influence the performance (Edona, 2015). In line with this study the most common factors that affect women entrepreneurs are access to loan and finance, lack of collateral, access to markets, access to networks etc. Further market segment shows a positive effect on performance (Adu 2016). Institutes such as government or non-government or banks also play an important role in women entrepreneurs' success (Sewwandi, 2008).

Financing, interest rates, inflation and the ability to attract investment too have an influence the women entrepreneurial orientation (Roohangiz, Shahin & Hajar 2012). In addition, economic conditions that can have an impact on the success or failure of women's entrepreneurship consist of financial resources; the available status of consumer markets; customer diversity; level of competition; as well as power and amount of hidden stairs in gaining economic benefits. Furthermore aspects like conditions on the product market and labor market, access to financial sources have been recognized as features affecting the growth orientation of women entrepreneurs. (Zahra, Sima, Behrooz & Shirin 2012). Hence it is confirmed that the findings of this research study are reinforced by the previous literature.

The second research objective of the study is to assess the impact of socio-cultural factors (SCF) on performance (TBP) of women entrepreneurs in the Colombo District, Sri Lanka. The evidence supports this developed alternative hypothesis which explains that there is an impact of SCF on TBP of women entrepreneurs in Colombo District, Sri Lanka. The study demonstrates that SCF of the selected sample of women entrepreneurs incorporated descriptive statistics such as mean of 3.30 and the Standard Deviation value of 0.74. It is clear that this reflects the average value of SCF of women entrepreneurs vary between 2.56 (3.30-0.74) and 4.04 (3.30+0.74).

The scatter plot diagram depicts that there is a positive relationship between SCF and TBP. The correlation coefficient, r= 0.756, which is greater than 0.3. ANOVA table indicates the F-value as 431.480 and the degrees of freedom are 3 and 173 while the probability of type 1 error or the p-value is less than 0.001.A higher F- value, accompanied by a smaller P-value (<0.05), denotes that TBP depends on TEF. Since the coefficient of determination, R2 is 0.880 suggests that 88% of the variation in TBP can be designated by TEF. Durbin Watson value is 1.885 and a value of 2 specifies no problem of autocorrelation. Further, as Regression equation shows TBP is expected to be increased by 0.367 for every unit increase in SCF. Besides, VIF values in relation to all the independent variables are lower than 10 (VIF<10) indicating that there is no multicollinearity issue in relation to the model.

Any outliers were not discovered at the case wise diagnostics procedure and the test of normality depicts that residual can be expected to be normal. Hence it is prominent that TBP has an impact of SCF. An opportunity for women entrepreneurs is provided by social capital for the network in order to access information and resources (Tata & Prasad, 2008). In Bangladesh social factors influence the performance of women entrepreneurs and comments by neighbors and relatives too show an impact on women entrepreneurs while religion has no effect their performance. (Amzad, Kamal, Asif & Rana 2009).

In the case of women entrepreneurs, support from family is a vital component (Sewwandi, 2008). Iranian society, especially in the Khoozestan province which has many traditional tribal prejudices, there are numerous cultural factors that influence on women entrepreneurship, directly or indirectly (Roohangiz, Shahin & Hajar, 2012). Likewise, community attitudes towards working women, greater responsibilities on women at home and work, social insecurities, gender discrimination, lack of access to financial and information resources, troublesome rules etc. are the cultural factors of concern in women's employment.

The growth orientation of women entrepreneurs are influenced by effects of social networks; cultural norms and values; as well as work- home conflicts . However, social networks that provide examples and role models along with assistance and stimulus could influence the growth orientation of women entrepreneurs. (Zahra, Sima, Behrooz & Shirin, 2012). Therefore it is evident that the findings of the research study are in agreement with the previous literature.

The third research objective of this study is to assess the impact of legal and administrative factors (LAF) on performance (TBP) of women entrepreneurs in the Colombo District, Sri Lanka. The evidence proves the developed alternative hypothesis which explains that LAF has an effect on TBP of women entrepreneurs in Colombo District, Sri Lanka. In this study LAF of the selected sample of women entrepreneurs, a mean of 3.29 and a Standard Deviation of 0.78 is expressed in the descriptive statistics. This indicates that the average value of LAF of women entrepreneurs vary between 2.51 (3.29-0.78) and 4.07 (3.29+0.78).

A positive association between LAF and TBP is observed in the scatter plot while the correlation coefficient, r= 0.738, which is more than 0.3. The ANOVA table indicates a F-value of 431.480 and the degrees of freedom are 3 and 173. The probability of type 1 error or the p-value is less than 0.001 and a higher F- value, indicated by a smaller P-value (<0.05), suggests that TEF has an effect on TBP. The coefficient of determination, R2 is 0.880, which means 88% of the variation in TBP can be influenced by TEF. Durbin Watson value is 1.885 where a value of 2 indicates no issues of autocorrelation. As regression equation indicates TBP is expected to be increased by 0.195, for every unit increase in LAF. Furthermore, VIF values in relation to all the independent variables are less than 10 (VIF>10) which depicts that there is no multicollinearity problems regarding the model.

Besides any outliers were not detected in the case wise diagnostics procedure while the test of normality specifies that residual can be presumed to be normal. Hence it is proven that there is an influence of LAF on TBP. Legal and administrative factors show the highest impact on performance on women entrepreneurs (Edona 2015). This situation arises mainly because of lack of government support, access to policymakers, bureaucracies and the overall legal and administrative factors. In relation to macro environmental aspects, Legal factors show positive influence on performance which are statistically significant, suggesting that legal environment makes the strongest contribution to the performance of pharmaceutical (Adu, 2016). The vital aspects for the performance of women entrepreneurs is found to be legal and administrative factors. (Hasan & Muneer 2016). Further, it is emphasized that external factors strongly affect women entrepreneurs in comparison to internal factors.

The growth orientation of women entrepreneurs were affected by legal factors while they believed that tax incentives and tax rates could influence their growth orientation. (Zahra, Sima, Behrooz & Shirin, 2012). Women entrepreneurs under investigation in this study come across similar issues as found in many other developing countries in respect of economic; legal and administrative; as well as social and cultural factors (Edona, 2015). Hence, it can be stated that the conclusions of the research study are compatible with the previous findings. The discussion mentioned above mentions the impact of independent variables on the dependent variable

V. DISCUSSION AND CONCLUSION

Entrepreneurship can be regarded as one of the major requirements essential for an economic progress especially for a developing country like Sri Lanka. Further, this could be considered as a competent tool in order to compete with developed countries as it enables exploitation of new opportunities, innovations and wealth creating for uplifting the living standards of the people in the country. Besides, entrepreneurship also serves as an effective, appropriate solution for many current economic issues in the country such as income disparity, high unemployment rate etc. Based on these reasons, empowering entrepreneurs serves a timely requirement. Since, Sri Lanka is a country, which has a majority of women population; this subject can be a critical factor. Hence, encouraging women towards entrepreneurship for opening new ventures in addition to increasing their performance is a vital factor. Considering these features, the researcher has conducted this study with the foremost objective of identifying External Factors that have an impact on the performance of women entrepreneurs with special reference to Colombo District, Sri Lanka (Amarasiri. 2012). Consequently, the sub-objectives of the study framed for the same locality in order to examine the impact of financial economic market factors on performance of women entrepreneurs; to determine the impact of socio-cultural factors on

performance of women entrepreneurs; to study the impact of legal-administrative factors on performance of women entrepreneurs in Colombo District, Sri Lanka.

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