

## Women Entrepreneurship and Performance: A Cross Sectional Study

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### Abstract

*The study was carried out to examine the performance of women entrepreneurs, using the cross-sectional research design. Information was collected from 101 women entrepreneurs from three key entrepreneurial domains: manufacturing, trading, and services activities of micro, small and medium-scale businesses. The ordinal logistic regression was calculated to investigate the factors affecting the performance of women entrepreneurs in the study. The study found that feasibility studies, total investment, age, overhead cost, and loans significantly affect the performance of women entrepreneurs. Likewise, most of the women entrepreneurs in the study were satisfied with their sales turnover, profit, and income. The study recommends providing easy loan facilities and tax exemptions for the women entrepreneurs for promoting their participation and efficiency. Additionally, feasibility studies should be encouraged before starting the operation of any business.*

**Keywords:** Entrepreneurship, Performance, Women-led Enterprises, Profit, Employment

### 1. Introduction

Nowadays, self-employment has emerged as a preferable work alternative for many women in developing economies. In Nepal, women are fully dedicated and actively serving various industries, as the Federation of Small and Medium Enterprises Nepal disclosed that 29.8 percent of businesses, totaling 247,880, are owned by women entrepreneurs (Shamim, 2022). This trend signifies that women in Nepal are becoming free from traditional roles, achieving economic independence, and creating employment through entrepreneurship. It is considered a crucial driver of economic growth in both developed and developing countries. As stated by Bhardwaj et al. (2011), entrepreneurship leads to a prosperous life by reducing unemployment and poverty through the promotion of capital formation and the creation of wealth domestically. Further, the researcher claims that, today, there has been an increasing focus on the achievements of female entrepreneurs. Jayasudha (2007) concluded that the unique perspectives and innovative approaches of female entrepreneurs generate a large number of market offerings. This shift not only enhances the diversity of products available but also fosters a more inclusive economic environment. As a result, supporting female entrepreneurship is becoming a priority for policymakers and business leaders alike. This shift not only enhances the diversity of products available but also fosters a more inclusive economic environment. Furthermore, the rise of female entrepreneurship is expected to majorly impact new business models in the twenty-first century by counterbalancing male-dominated corporate cultures and patriarchal social structures.

Numerous female entrepreneurs have demonstrated incredible resilience, adaptability, and success across a range of industries. Despite persistent challenges such as limited access to finance and societal biases, many women entrepreneurs have demonstrated strong performance across diverse

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sectors, making significant contributions to economic development and gender equality. As Brush et al. (2012) argue, female entrepreneurs frequently use social capital, networks of colleagues, and creative approaches to finding solutions to set their enterprises apart from those operated by male counterparts and add value in both the economic and social domains. Based on the background information provided above, this study seeks to examine the performance of women entrepreneurs in Birgunj, Nepal, from different perspectives to understand the factors that significantly affect their performance. This study aims to fill existing gaps in the empirical literature on women-led businesses in the study area by providing details on their social, operational, and economic performance. Policymakers, business support associations, and ambitious female entrepreneurs are expected to gain insight from the findings, which will help develop strategies that support gender equity and sustainable women-led enterprises in Nepal.

## 2. Literature Review

In order to evaluate the elements impacting the performance of female entrepreneurs in Bangladesh, Gafur and Islam (2024) carried out an extensive literature review. Using a qualitative approach, the study combined research findings from peer-reviewed publications. The authors identified important institutional, individual, sociocultural, and economic factors that affect women's success as entrepreneurs. Regulatory difficulties, restricted access to financial resources, and cultural norms were noted as important obstacles. The study highlights the necessity of focused interventions and legislative changes to assist Bangladeshi women entrepreneurs. Arif and Hamid (2023) used Partial Least Squares Structural Equation Modeling (PLS-SEM) to test their conceptual framework after surveying 197 female entrepreneurs in North Luwu Regency, Indonesia. The results showed that women's self-confidence is greatly increased by family support, and this, in turn, improves business performance. Family support improved performance directly as well, but it had a greater indirect impact through boosting self-confidence. The study relies on self-reported data and only looks at one region, which limits its useful evidence. Cross-regional comparisons and institutional support could be added to the scope of future studies. Bhandari et al. (2022) found that competitive advantage and entrepreneurial orientation (EO) had a significant impact on women-owned business performance during the pandemic. The relationship between EO and performance is positively mediated by competitive advantage, continued existence and growth of companies can be achieved by EO. Bhandari and Amponstira (2021) found Competitive advantage mediates the relationship between entrepreneurial orientation and the performance of women-owned businesses in Gandaki Province, Nepal. The performance of businesses is positively impacted by proactiveness, inventiveness, and competitive aggression. Kanapathipillai et al. (2021) discovered a strong correlation between the performance of female entrepreneurs and their ability to obtain funding in Malaysia after COVID. Personal savings, capital requirements, and financial capital were important considerations. According to the study, women can drive economic growth and job creation with abundance of funding. Ranasinghe (2021) discovered that financial institutions have a favorable effect on the performance of female entrepreneurs. Financial institutions' training programs and loan availability significantly increased the skills and success of women-owned SMEs in Colombo, Sri Lanka. Yeasmin and Yasmin (2020) examined barriers, factors responsible for the

development of entrepreneurship, performance and growth in Bangladesh. Even though financial institutions and government programs encourage female entrepreneurs, women still face significant obstacles like a lack of retail locations, a lack of capital, and challenges to manage work and family together. Nevertheless, they are a major force behind economic expansion and industrialization. India still has relatively few women-owned businesses, especially in rural areas where performance is low. Home-based Own-Account Enterprises (OAEs) run primarily by OBC women make up the majority, while other marginalized groups are underrepresented. Business growth is rare because of low demand, a shortage of raw materials, late payments, and limited credit. More crucial to success than years of operation are location, documentation, and female labor (Ghosh & Mitra, 2020). Marriage does not restrict business involvement, but family obligations have a significant impact on the performance of women-owned businesses (WOB) in Pakistan. Major obstacles include low education, a lack of skills, and restricted access to financing because of high interest rates and collateral (Shakeel et al. 2020). Gautam and Thapa (2020) found that initial capital, business age, and registration year have the biggest effects on the performance of beauty parlors in Pokhara, Nepal but other variables like age, education, experience, and government assistance do have minimal effect. Ali et al. (2019) looked at and emphasized the elements that significantly affect the traits and performance of female entrepreneurs in Punjab, Pakistan's SMEs. The researcher discovered that the performance of female entrepreneurs is greatly impacted by economic, social, legal, and administrative factors. In 2016 Bakar and Ahmad presented a model that used social capital and self-efficacy as moderators and mediators to relate financial capital and entrepreneurial competencies to the performance of women entrepreneurs in Malaysia. They came to the conclusion that women's competitiveness and business performance can be improved by government and financial institution support. Abdissa (2016) looked into the variables influencing SMEs' performance in the Bench Maji, Sheka, and Kefa zone sectors. SMEs' preferences are influenced by both internal and external factors. Among the internal factors inadequate management, a lack of talent, and an inadequate business plan or vision were included whereas bureaucratic processes, government regulations, technological barriers, competition, corruption, and unfavorable economic conditions were taken as external factors. Besides these inadequate infrastructures, a lack of managerial expertise, a shortage of workspace, market connectivity with outside parties like suppliers, customers, and vendors also affects the performance of women entrepreneurs. Nneka (2015) examined how certain economic factors affected the performance of female entrepreneurs in microbusinesses in southwestern Nigeria and discovered that improving social networks, basic and social infrastructures, credit facilities, and accessibility to markets and raw materials were all necessary to boost the performance of female entrepreneurs.

### 3. Methodology

The data were collected from 101 women entrepreneurs using the purposive sampling method that fulfills the following selection criteria

- a. Women entrepreneurs who were operating their business in Birgunj and who were either not registered or registered in BiCCI, the Micro-Enterprise Development Fund (MEDF), and the office of cottage and small industry in Birgunj, Parsa.

- b. Women entrepreneurs who are involved in manufacturing, service, and trading sectors.
- c. Micro, Small, and Medium-sized Enterprises only

The required information was collected using face-to-face interviews with women entrepreneurs, who met the above criteria, in Oct-Nov 2023. The Likert scale analysis was used to identify the perception of women entrepreneurs on their performance on sales turnover, profit and income (Range from 1- very satisfied, 2- satisfied, 3- neutral, 4- dissatisfied, and 5- very dissatisfied). Likewise, the performance of women entrepreneurs was evaluated on the basis of profit-to-total-investment-ratio criteria. The women entrepreneurs whose profit is 20 percent or more than 20 percent of total investment were categorized as having more than average performance, 10 to 19 percent were categorized as having average performance, and less than 10 percent were considered as having below average performance. Since the dependent variable of the study, performance of women entrepreneurs, is ordinal in nature (i.e., less than average, average, and more than average), the ordinal logistic regression was carried out. The independent variable includes feasibility studies, training, age, registration, total investment, overhead cost, working hours, and loans.

#### 4. Result

**Table 1:** Descriptive Analysis of Women Entrepreneurs

	Less than Average (N=29)	Average (N=14)	More than Average (N=58)	Overall (N=101)
Age				
Mean (SD)	41.2 (8.20)	36.4 (6.63)	39.5 (9.02)	39.6 (8.55)
Education				
Mean (SD)	12.7 (4.78)	12.4 (4.07)	13.1 (4.51)	12.8 (4.49)
Marital status				
Married	26 (89.7%)	14 (100%)	49 (84.5%)	89 (88.1%)
Unmarried	3 (10.3%)	0 (0%)	9 (15.5%)	12 (11.9%)
Family types				
Nuclear	20 (69.0%)	8 (57.1%)	36 (62.1%)	64 (63.4%)
Joint	9 (31.0%)	6 (42.9%)	22 (37.9%)	37 (36.6%)
Type of business				
Manufacture	10 (34.5%)	8 (57.1%)	21 (36.2%)	39 (38.6%)
Services	14 (48.3%)	4 (28.6%)	26 (44.8%)	44 (43.6%)
Trading	5 (17.2%)	2 (14.3%)	11 (19.0%)	18 (17.8%)
registration				
No	2 (6.9%)	2 (14.3%)	3 (5.2%)	7 (6.9%)
Yes	27 (93.1%)	12 (85.7%)	55 (94.8%)	94 (93.1%)
feasibility				

	Less than Average (N=29)	Average (N=14)	More than Average (N=58)	Overall (N=101)
No	26 (89.7%)	10 (71.4%)	39 (67.2%)	75 (74.3%)
Yes	3 (10.3%)	4 (28.6%)	19 (32.8%)	26 (25.7%)
Loan				
No	18 (62.1%)	10 (71.4%)	45 (77.6%)	73 (72.3%)
Yes	11 (37.9%)	4 (28.6%)	12 (20.7%)	27 (26.7%)
Missing	0 (0%)	0 (0%)	1 (1.7%)	1 (1.0%)
Training				
No	18 (62.1%)	7 (50.0%)	24 (41.4%)	49 (48.5%)
Yes	11 (37.9%)	7 (50.0%)	34 (58.6%)	52 (51.5%)
Investment				
Mean (SD)	14,00,000 (1990000)	3,27,00,000 (92100000)	3,53,00,000 (98400000)	2,52,00,000 (82800000)
Overhead				
Mean (SD)	18,300 (20200)	33,500 (37000)	99,900 (336000)	67,300 (257000)

**Source:** Author's Own Calculation

Table 1 provides a descriptive analysis of various demographic and business-related characteristics. The performance of women entrepreneurs is categorized into three parts based on the profit-to-total-investment criteria earned, viz., less than average, average, and more than average. The overall average age of the women entrepreneurs in the study was 39.6 years. The average years of schooling for the respondents were 12.8, indicating that most of the women entrepreneurs had at least completed high school. Most of the respondents were married and have a nuclear family. It suggests a stable personal life has a positive impact on business performance. Stability at home can provide a supportive environment, allowing women to focus more on their entrepreneurial activities. A large number of women entrepreneurs were engaged in the service sector, followed by the manufacturing and trading sector; more than 93 percent of them had registered their business. This formal status can enhance their access to various benefits such as loans, grants, and government support schemes. However, most of them had not conducted a feasibility study, and among those who did, their performance was above average. This emphasizes the importance of feasibility studies through training and resources, which can significantly improve business outcomes. Most of the respondents had not taken any loans; this could be due to various factors such as fear of debt, lack of awareness, or difficulties in accessing credit. From the researcher's perspective financial literacy programs can play a crucial role in uplifting businesses. Additionally, the respondents who had received training showed better performance than those who had not received any training. This shows that regular follow-ups and advanced training sessions can also be beneficial.

**Table 2:** Result of Ordinal Logistic Regression

Term	Coefficients	Std. error	Z-value	P-value
less than average   Average	19.22	4.32	4.45	0.00
Average   more than Average	20.56	4.42	4.65	0.00
Feasibility: Yes	2.12	0.67	3.14	0.00*
Train: Yes	0.64	0.58	1.10	0.27
Age	-0.07	0.03	-2.00	0.05*
Reg: Yes	1.33	1.00	1.33	0.18
Total investment	1.65	0.29	5.61	0.00*
Overhead cost	-0.43	0.23	-1.84	0.07*
Hours	0.01	0.10	0.07	0.94
Loan: Yes	1.29	0.70	1.84	0.07*

**Source:** Author's Own Calculation

Table 2 explains the result of ordinal logistic regression. The performance of women entrepreneurs is categorized into three parts based on the profit-to-total-investment criteria earned, viz., less than average, average, and more than average. The ordinal logistic regression analysis shows that feasibility studies, age, total investment, overhead cost, and loans had a significant relationship with the performance of women entrepreneurs in the study area. The women entrepreneurs who had conducted feasibility studies were more likely to have had good performance compared to those who did not conduct feasibility studies. Likewise, an increase in investment positively influences the performance of women entrepreneurs. Women entrepreneurs who had taken loans for business purposes were also more likely to perform well in their business. However, the increase in business overhead costs and age negatively influenced the performance of the women entrepreneurs. Several studies found the effect of age on the performance of women entrepreneurs was both positive and negative. Advancing age may reduce risk-taking ability and adaptability to technological and market changes, thereby limiting entrepreneurial competitiveness. Some studies had highlighted this dual effect, indicating that performance may decline with increasing age under certain conditions (Wube, 2010).

**Table 3:** Economic Performance of Women Entrepreneurs Based on Their Perception

	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	Total
Sales turn over	7 (6.9%)	80 (79.2%)	7 (6.9%)	6 (5.9%)	-	100 (100%)
Profit	5 (5%)	79 (78.2%)	11 (10.9%)	6 (5.9%)	-	101 (100%)
Income	8(7.9%)	78 (77.2%)	9 (8.9%)	6 (5.9%)	-	101 (100%)

**Source:** Author's Own Calculation

Table 3 shows that most of the women entrepreneurs were satisfied with their sales turnover, profit, and income in their business. It might be that businesses gained better access to finance, training, or networks over time, which increased their ability to grow the business. As they continue operating, female entrepreneurs often gain a deeper understanding of their target market and customer needs,

which may help boost sales income and profit. However, the presence of a small group of not satisfied respondents highlights that not all women entrepreneurs benefited equally, pointing to crucial challenges that still need to be addressed.

## 5. Discussion

This study supports previous studies that found that feasibility studies, total investment, and loan availability significantly improve the performance of female entrepreneurs, while age and overhead costs negatively correlate with business outcomes. Gafur and Islam (2024), who discussed the importance of institutional and individual preparedness for women's entrepreneurial success in Bangladesh, agreed with the finding that feasibility studies enhance performance. Women entrepreneurs can improve their ability to foresee risks, allocate resources efficiently, and make well-informed decisions by performing feasibility assessments. The results of Kanapathipillai et al. (2021) in Malaysia and Ranasinghe (2021) in Sri Lanka are supported by the fact that investment emerged as a critical determinant of performance, which is similar to the result of this study. Likewise, Shakeel et al. (2020) in Pakistan and Yeesmin and Yasmin (2020) in Bangladesh argued limited access to financial resources continues to be a problem in developing nations. This study also supports the need for easily accessible, adaptable credit options with streamlined processes for women entrepreneurs. In contrast to the findings of Ali et al. (2019), this study found that age had a negative impact on entrepreneurial performance. One explanation could be that younger business owners are more adaptable, creative, and sensitive to market dynamics. According to the results of this study, overhead costs had a negative impact on performance, which is compatible with the structural barriers mentioned by Abdissa (2016) and Nneka (2015), who pointed out that high operating costs limit the growth and sustainability of SMEs. Bhandari & Amponstira (2021) supported the result of this study that loan access improved performance; here, repayment challenges noted by Shakeel et al. (2020) also remain relevant. The results of this study indicated that mentorship, credit availability, and feasibility studies enhance the performance of female entrepreneurs; therefore, policymakers and financial institutions should promote feasibility training and easy loan processes to promote sustainable growth.

## 6. Conclusion

The researcher found that most of the women entrepreneurs were married, pursued high school-level education, and had small family sizes. Likewise, most of the businesses were registered; some of them had taken loans. Over 57 percent of women entrepreneurs had more than average performance. Similarly, ordinal logistic regression was carried out to examine the factor affecting the performance of women entrepreneurs. Results show that feasibility studies, age, total investment, overhead cost, and loans had a significant relationship with the performance of women entrepreneurs. Similarly, age and overhead cost negatively influence the performance of the women entrepreneurs, while the investment has a positive effect. Likewise, women entrepreneurs who had carried out feasibility studies and those who had taken loans had more than average performance. Most of the women entrepreneurs in the study were satisfied with sales turnover, profit, and income in their business.

As women have to manage their job and family together with accountability, the study recommended providing the easy loan facility with minimum formalities and procedures for starting and operating their business. In this way they can save their time and put their efficient efforts into their business.

Further feasibility studies should be encouraged by the government to equip a large number of women entrepreneurs with the skills to assess their business ideas critically. To guide new entrepreneurs, mentorship programs will help, which may increase the networking opportunities, and they can learn from each other's successes and challenges. For a more thorough understanding of the performance, changing opportunities, and difficulties faced by women entrepreneurs in Nepal, it is advised that future studies use mixed or longitudinal methodologies, utilizing larger and more varied samples from various industries and geographical areas.

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