

# Performance of Women Entrepreneurs in Birgunj, Nepal: A Comparative Study

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## Abstract

This study is an empirical research of women entrepreneurs involved in the various industries in Birgunj, Nepal. Women Entrepreneurs of both registered and unregistered units are considered as respondents. Three entrepreneurial activities had considered as the study area of this research viz. manufacturing, trading and services. It concentrates only in micro and small enterprises run by women. In order to draw comparisons, researchers included a control group of male business owners. The criteria established by Lalitha Rani (1996) based on ratio of profit to total investment were used to measure the preference of entrepreneurs. Performance was classified as "Less than average," "Average," and "very successful." Comparative study and chi- square test were carried out to see the association between performance and other independent variables. Exploratory and descriptive research had done through judgmental sampling; information was collected from 72 women entrepreneurs and 29 male entrepreneurs. This study applied cross sectional design under quantitative research methods. Result of performance analysis shows that performance and gender, training, and experience did not have any significant relationships; but, there were significant relationships between performance and activities and legal ownership.

**Keywords:** Entrepreneurs, Performance, Women

## 1. Introduction

Entrepreneurship is related to empowerment of society. When we relate entrepreneurs with women it can be linked with resource utilizations in terms of human capital. Women who own their own businesses contribute significantly to the economy and act as role models to those women who want to start their own businesses. Women entrepreneurs are the individuals or group of individuals who establish, develop, and manage a business. (Palanivelu & Srividhya, 2014). There is no possibility of welfare of the world unless the condition of women is improved due to enterprises women are independent and can balance their roles as mothers and wives (Adesua-Lincoln, 2012).

Self-employment is the better work alternative for many women in developing economies. Women's entrepreneurship is part of the SME sector. Women entrepreneurs are the driving force behind growth in MSEs (Micro and Small Enterprises), crucial to a competitive and effective market, necessary for reducing poverty, and particularly significant in emerging nations (World Bank, 2003). UNECE (United Nations Economic Commission for Europe) claims that women entrepreneurs in MSEs contribute to job growth at a higher rate than do entrepreneurs in larger businesses. A market economy's foundation is for the majority of employment. Women entrepreneurs in MSEs in particular are particularly important in this regard. The structural shift from the former large state-owned enterprises to women entrepreneurs in

MSEs will increase the number of proprietors, a group that represents greater responsibility and commitment than in the former centrally planned economies. An additional characteristic of women entrepreneurs in MSEs is that they produce primarily for the domestic market, drawing generally on national resources (UNIDO (United Nations Industrial Development Organization), 2004).

**2. Objective of the study**

To compare the performance of women entrepreneurs with male entrepreneurs.

**3. Research methodology**

Exploratory and descriptive research has done through sampling surveys. This study applied cross sectional design under quantitative research methods. Structure and open ended questionnaires have used to gather the relevant information from field visit. Entrepreneurial success status was calculated by using the criteria based on the total investment and profit earned, according to the researcher women respondents were labeled less than average, average and very successful entrepreneurs. More than average performance of entrepreneurs has considered those who made 20 percent profit of total investment, those who made 10 percent profit of total investment has considered as average and those who made less than 10 percent profit of total investment has considered less than average performance. Performance of women entrepreneurs compared with control variables on the basis of legal ownership, activities, training and experience. Under chi- square test gender, economic activity, legal ownership, training and experience are tested with performance of entrepreneurs. Major Population of this study was women entrepreneurs who were doing business in Birgunj. Three types of business activities, including the service, manufacturing, and trading sectors, were chosen under the Micro, Small, and Medium-sized Enterprises category. Based on the researcher own discretion this study has select total 101 respondents out of them 72 were women entrepreneurs and 29 were men entrepreneurs. The filed survey was conducted in April and May 2022.

**4. Data Presentation and Analysis**

**4.1. Compare Gender wise Activities and Performance**

This study has examined the performance of male and female entrepreneurs to see how well they succeed when involved in different types of activities; manufacturing, trading, and services. It helps to offer a realistic image of how men and women perform in various types of activities. The preference of men and women entrepreneurs in various business activities, in the study area is displayed in table 4.1

**Table 4.1** Compare Gender wise Activities and Performance

Gender Activity Performance	Female				Male				Grand total
	Service	Manufacturing	Trading	Total	Service	Manufacturing	Trading	Total	
Very successful	11 (28.94)	8 (28.57)	2 (33.3)	21 (29.17)	0 -	0 -	8 (66.6)	8 (27.59)	29 (28.71)

<b>Average</b>	4 (10.52 )	4 (14.28)	1 (16.6)	9 (12.5)	0 -	3 (30.0)	2 (16.66 )	5 (17.2 4)	14 (13.8 6)
<b>Less than Average</b>	23 (60.52 )	16 (57.14)	3 (50.0)	42 (58.3 3)	7 (100.0 )	7 (70.0)	2 (16.66 )	16 (55.1 7)	58 (57.4 3)
<b>Total</b>	38 (100.0 )	28 (100.0)	6 (100)	72 (100. 0)	7 (100.0 )	10 (100)	12 (11.88 )	29 (100. 0)	101 (100. 0)

Source: Researcher’s own calculation (Figures in brackets indicate percentage column)

Table 4.1 shows that under service activity 28.94 percent female were very successful, 10.52 percent female entrepreneurs were average. Likewise 60.52 percent female and 100 percent of male entrepreneur’s performance were less than average. Under manufacturing activity 28.57 percent female entrepreneurs were very successful. Under trading activities 33.33 percent female and 66.6 percent of male entrepreneurs were very successful, average performance rate for both female and male were 16.66 percent under it. Likewise 50 percent female and 16.66 percent male performance were less than average. In total 29.17 percent female and 27.59 percent were very successful, 12.5 percent female and 17.24 percent male performance were average and 58.33 percent female and 55.17 percent male entrepreneurs’ performance were less than average.

The results indicate that gender did not have a significant impact on performance. There are many factors like access to capital, training, experience, knowledge of market, network, government policies and personal factors are required to make a business successful for both male and female. These characteristics could not apply equally to all women and men business owners because they might encounter unlike difficulties depending on their socioeconomic class, ethnicity, geography, and other considerations. Very success full rate for both male (66.6) and female (33.33) were greater in trading sector, average performance for female was also greater in trading sector ( 16.6) but for male it was in manufacturing sector (30 percent). Less than Average performance for both male (100 percent) and female (60.52 percent) were greater in service sector. It shows the business activities may determine the performance of entrepreneurs but gender-wise performance and activities were not closely related.

#### 4.2. Compare Performance with Gender and Legal Ownership

In order to examine how well male and female business owners succeed when registered in various types of legally defined ownership, this study has compared both groups' performance on the basis of legal ownership. It helps to offer a realistic image of how men and women perform in various types of legally defined ownership. Table 4.2 compares female entrepreneurs to male entrepreneurs and displays the preference of business owners based on legal ownership.

**Table 4.2** Compare Performance with Gender and Legal Ownership

Gender Legal Ownership Performance	Female				Male				Grand total
	Joint	Sole	Company	Total	Joint	Sole	Company	Total	

<b>Very successful</b>	3 (33.3)	18 (34.62)	0 -	21 (29.17)	1 (50.0)	7 (28.00)	0 -	8 (27.57)	29 (28.71)
<b>Average</b>	1 (11.1)	8 (15.39)	0 -	9 (15.5)	1 (50.0)	4 (16.00)	0 -	5 (17.24)	14 (13.86)
<b>Less than Average</b>	5 (55.5)	26 (50.0)	11 (100.0)	42 (58.33)	0 -	14 (56.00)	2 (100)	16 (55.17)	58 (57.43)
<b>Total</b>	9 (100)	52 (100.0)	11 (100.0)	72 (100.0)	2 (100)	25 (100.0)	2 (100)	29 (100.0)	101 (100.0)

Source: Researcher’s own calculation (Figures in brackets indicate percentage column)

Table 4.2 shows that under joint ownership 33.3 percent female and 50 percent male entrepreneurs were very successful, 11.1 percent female and 50 percent male entrepreneurs were average and 55.5 percent female and zero percent of male entrepreneurs were less than average. Under sole ownership 34.62 percent female and 28 percent male entrepreneurs were very successful, 15.39 percent female and 16 percent male entrepreneurs were average and 50 percent female and 56 percent of male entrepreneurs were less than average. Both male and female entrepreneurs had zero success rates under the company, and they were less than average. In total 29.17 percent female and 28 percent were very successful, 15.5 percent female and 17.24 percent male were average and 58.33 percent female and 55.17 percent male entrepreneurs were less than average . The results indicate that neither gender nor the legal ownership of a business has a significant impact on performance as result exposed less than average rate for male and female was greater in any kind of ownership. It could be success of business is not only determined by the legal ownership but also by various factors like network, access of market, locality, and cost of raw materials and so on. Study found a large number of entrepreneurs have related to sole proprietorships. This could be due to the simplicity of the establishment process, the absence of conflict, or some type of simple financial assistance provided by the government to entrepreneurs.

### 4.3 Compare performance with Gender and Effect of Training on entrepreneurs

In this study, the performance of male and female entrepreneurs was compared based on training received or not received. Table 4.3 shows the preferences of business owners based on training.

**Table 4.3** Compare Performance with Gender and Effect of Training on entrepreneur

<b>Gender</b>	<b>Female</b>			<b>Male</b>			<b>Grand total</b>
	<b>Yes</b>	<b>No</b>	<b>Total</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>	
<b>Training Preference</b>							
<b>Very successful</b>	16 (37.20)	5 (17.24)	21 (29.16)	2 (33.33)	6 (26.08)	8 (27.58)	29 (28.71)
<b>Average</b>	6 (13.95)	3 (10.34)	9 (12.5)	1 (16.66)	4 (17.39)	5 (17.24)	14 (13.86)
<b>Less than Average</b>	21 (48.83)	21 (72.41)	42 (58.33)	3 (50.0)	13 (56.52)	16 (55.17)	58 (57.43)
<b>Total</b>	43 (100)	29 (100.0)	72 (100.0)	6 (100.0)	23 (100.0)	29 (100.0)	101 (100.0)

Source: Researcher’s own calculation (Figures in brackets indicate percentage to column total)

Table 4.3 shows among the entrepreneurs who had received training 37.20 percent female and 33.33percent male entrepreneurs were very successful, 13.95 percent female and 16.66 percent male were average and 48.83percent female and 50 percent male were less than average . Among the entrepreneurs who had not received training 17.24 percent female and 26.08 percent male entrepreneurs were very successful, 10.34 percent female and 17.39 percent male entrepreneurs were average. Likewise, 56.52 percent of men and 72.41 percent of women who had not received training performed below average. The results demonstrate that both male and female performance of less than average were higher among those who had not received training it might be training may have had a major impact on performance rather than gender.

Study also exposed that training received rate for female is greater than male it might be in young age female members are highly involved in household work rather than outside work unlike male. So most of the male members become familiar with outside world from the very beginning of their young age and they do not required further training like female. On the other hand female members preferred training before starting business as they are not familiar to outside world like male members of the society.

#### 4.4 Chi-Square Test

A Chi-square test was conducted to examine whether performance had any relation with gender, activity, legal ownership, training and experience in business.

##### 4.4.1 Chi-Square Test for Performance and Gender

After comparing performance with gender, the researcher used the chi-square test to see whether there was a relationship between performance and gender. Table 4.4 provides an explanation below.

**Table 4.4** Chi-Square Test for Performance and Gender

Performance	Gender		Total
	Female	Male	
Very successful	21	8	29
Average	9	5	14
Less than Average	42	16	58
<b>Total</b>	72	29	101

Source: Researcher’s own calculation                      Pearson chi2 (2) = 0.3892                      pr=0.823

The table 4.4 examines the relationship between performance and gender of the entrepreneurs using Chi square test. The p value of the Chi-square test is greater than .05 showed that there was not significant relationship between performance and gender of the entrepreneurs ,  $X^2 (2, N = 101) = 0.3892, p = 0.823$  Thus, Null hypothesis accepted.

##### 4.4.2 Chi-Square Test for Performance and Activity

After comparing performance and activities, the researcher used the chi-square test to see whether there was a relationship between performance and activity. Table 4.5 provides an explanation below.

**Table 4.5** Chi-Square Test for Performance and Activity

Performance	Activity			Total
	Service	Manufacturing	Trading	

<b>Very successful</b>	11	8	10	29
<b>Average</b>	4	7	3	14
<b>Less than Average</b>	30	23	5	58
<b>Total</b>	45	38	18	101

Source: Researcher’s own calculation Pearson chi2 (4) =10.5420 pr=0.032

The table 4.5 examines the relationship between performance and activity of the entrepreneurs using Chi square test. The p value of the Chi-square test is less than .05 showed that there is significant relationship between performance and activities of the entrepreneurs ,  $X^2 (4, N = 101) =10.5420, p = 0.032$  Thus, Null hypothesis rejected.

#### 4.4.3 Chi-Square Test for Performance and Legal ownership

The researcher used the chi-square test to see whether there was a relationship between performance and legal ownership. Table 4.6 provides an explanation about it.

**Table 4.6** Chi-Square Test for Performance and Legal ownership

Performance	Legal ownership			Total
	Joint	Sole	Company	
<b>Very successful</b>	4	25	0	29
<b>Average</b>	2	12	0	14
<b>More than Average</b>	5	40	13	58
<b>Total</b>	11	77	13	101

Source: Researcher’s own calculation Pearson chi2 (4) =11.2301 pr=0.024

The table 4.6 examines the relationship between performance and legal ownership of the entrepreneurs using Chi square test. The p value of the Chi-square test is less than .05 showed that there is significant relationship between performance and legal ownership of the entrepreneurs ,  $X^2 (4, N = 101) =11.2301, p = 0.024$  Thus, Null hypothesis rejected.

#### 4.4.4 Chi-Square Test for Performance and Training

Researcher used the chi-square test to see whether there was a relationship between performance and training. Table 4.7 provides an explanation about it.

**Table 4.7** Chi-Square Test for Performance and Training

Performance	Training		Total
	Yes	No	
<b>Very successful</b>	18	11	29
<b>Average</b>	7	7	14
<b>Less than Average</b>	24	35	58
<b>Total</b>	49	52	101

Source: Researcher’s own calculation Pearson chi2 (2) =3.3276 pr=0.189

The table 4.7 examines the relationship between performance and training of the entrepreneurs using Chi square test. The p value of the Chi-square test is greater than .05 showed that there is no significant relationship between performance and training of the entrepreneurs ,  $X^2 (2, N = 101) =3.3276, p = 0.189$  Thus, Null hypothesis cannot be rejected.

#### 4.4.5 Chi-Square Test for Performance and Working Years

Researcher used chi-square test to see whether there was a relationship between performance and experience. Table 4.8 provides an explanation about it.

**Table 4.8** Chi-Square Test for Performance and Working Years

Performance	Working Years				Total
	<2 years	3-6 years	7-10 years	11+ years	
Very successful	2	9	9	9	29
Average	1	3	5	5	14
Less than Average	4	22	17	15	58
<b>Total</b>	7	34	31	29	101

Source: Researcher’s own calculation Pearson  $\chi^2(6) = 1.6068$   $p = 0.952$

The table 4.8 examines the relationship between performance and experience of the entrepreneurs using Chi square test. The p value of the Chi-square test is greater than .05 showed that there is no significant relationship between performance and experience of the entrepreneurs ,  $\chi^2(6, N = 101) = 1.6068, p = .952$ . Thus, Null hypothesis cannot be rejected.

#### 4.5 Conclusion

Result of performance analysis shows that performance and gender, training, and experience did not have any significant relationships; but, there were significant relationships between performance and activities and legal ownership. The comparative study of gender, preferences, and activities reveals that 28.94 percent of the very successful female entrepreneurs involved in the service sector. This percentage was also high (60.52) for female business owners whose preferences were below average in the same sector. The majority of very successful male entrepreneurs (66.6 percent) worked in the trading sector and the majority of male entrepreneurs who perform below average involved in service sectors. The comparative study of gender, preferences, and legal ownership reveals that most of the very successful women entrepreneurs have related to sole entrepreneurs (34.62 percent). Most of the very successful men entrepreneurs have joint ownership (50.00 percent). Below average preference of both male and female in company was high. The comparative study of gender, preferences, and training reveals the majority of less than average reference of male and female entrepreneurs (72.41 percent and 56.52 percent, respectively) did not receive any training. In the same preference level training received percentage was also high for both male and female (50 percent and 48.83 percent respectively).

Result of chi- square test for preference and gender did not show significant relationship between them whereas result found significant relationship between performance and activities. Finding shows the significant relationship between performance and legal ownership yet performance and training did not demonstrate a significant association, and neither did performance and experience.

#### 4.6 Discussion

The results of performance analysis provide some interesting insights into the relationships between various factors and entrepreneurial performance. Below are some of the points for the discussion.

Gender and Performance: The analysis suggests that there is no significant relationship between gender and entrepreneurial performance. In other words, being a male or female entrepreneur does not inherently determine one's success. This is an important finding as it challenges stereotypes or biases

that might assume certain genders are more or less likely to be successful in entrepreneurship. Success in entrepreneurship appears to be unrelated to gender.

**Activities and Performance:** There is a significant relationship between the type of activities an entrepreneur is involved in and their performance. Female entrepreneurs who were very successful were more likely to be involved in the service sector, while male entrepreneurs found success more often in the trading sector. This could imply that the choice of industry or sector plays a more critical role in determining success than gender.

**Legal Ownership and Performance:** The analysis indicates a significant relationship between legal ownership and entrepreneurial performance. Very successful female entrepreneurs were more likely to have sole ownership, whereas successful male entrepreneurs were more likely to have joint ownership. This might suggest that the legal structure and ownership arrangements of a business can impact its success, possibly due to factors like decision-making autonomy or access to resources.

**Training and Performance:** Interestingly, there doesn't appear to be a significant association between training and entrepreneurial performance for both genders. This finding challenges the common belief that formal training or education is a crucial determinant of entrepreneurial success. It's possible that other factors, such as industry knowledge, networking, or skills, might be more important.

**Experience and Performance:** Similar to training, the analysis suggests that there is no significant relationship between entrepreneurial experience and performance. This finding contradicts the idea that more experience inherently leads to greater success in entrepreneurship. It's essential to consider that the quality of experience and the ability to adapt to changing circumstances may be more critical than the sheer duration of experience.

In summary, these findings highlight that gender alone is not a determining factor for entrepreneurial success. Instead, the type of activities an entrepreneur is involved in, legal ownership arrangements, and potentially other unexplored factors play significant roles. The lack of a significant relationship between training and experience with performance also suggests that success in entrepreneurship is a complex interplay of various factors that go beyond formal education and prior work experience. Further research and analysis may be needed to uncover additional hints and potential drivers of entrepreneurial success.

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