



Focused Group Interview Literature Review of Challenges Ethiopian Female Entrepreneurs Face in Their Business Ventures

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Abstract

The purpose of this study is to investigate the difficulties faced by female business owners in the Bule Hora town administration in Ethiopia's Horn of Africa. Due to problems with how women are regarded, treated, and considered to be, there is a difference between inactive women and those who have potential. The researchers used a qualitative research design and an interpretative research technique. The researchers spoke with eight female business owners who were engaged in the company's founding. The purposive sample strategy was used to gather primary data from the respondents using a structured interview. For the analysis of qualitative data, thematic data analysis was used. The primary conclusions of the study showed that social and cultural barriers, lack of money, a lack of adequate employment prospects, a lack of expertise, and a lack of training were the biggest challenges for women entrepreneurs in the study area. The study's conclusions will help the government as it updates its policies to address organizational, individual, legal/administrative, economic, social/cultural, and other aspects that affect how women entrepreneurs view entrepreneurship.

Keywords: entrepreneurship; entrepreneurial challenges; entrepreneurs; female entrepreneurs; perception.

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Introduction

The subject of female entrepreneurs' inactivity has already been discussed in several research studies, but few have made an effort to pinpoint pertinent female challenges. Researchers have discovered that the Ethiopian town of Bule Hora is a favorable environment for entrepreneurship and that female business owners are good problem-solvers. What kind of assistance does the government offer to females who are currently employed or seeking it? As a result, the current study assesses a variety of barriers to the growth and development of female entrepreneurs (Ahmetaj et al., 2023). More than 50% of Ethiopia's population is female, although they contribute virtually little to the country's economy. Enhancing female labor force participation is important to significantly increase household wages (Sangwan & Kumar, 2021). Entrepreneurial activity is essential for the nation's economy to grow on all fronts. The government should therefore consider how to best use the potential for female entrepreneurs (Aljarodi et al., 2022).

Around the world, generations of women from various origins have demonstrated encouraging signs of entrepreneurial drive. Governments are expected to try to create an environment that would enable female entrepreneurs to reach their full potential at all levels of development (Chang Chang & Chen, 2018). Females make up more than half of the population of Ethiopia, yet they play a very small share in the economy. To considerably boost household earnings, it is necessary to enhance female labor force participation (Menelek Asfaw, 2022). To develop the economy of the nation on all fronts, entrepreneurial activity is crucial. Therefore, the government should take into account how to best utilize the potential entrepreneurial capacity of females (Martínez-Rodríguez et al., 2022). Generations of females from varied backgrounds have shown positive signs of entrepreneurial vigour all around the world. Governments at all levels of development are expected to work to foster an environment that will allow female entrepreneurs to realise their full potential (Rizvi et al., 2023)

Statement of the Problem

Though experts are aware that although women outnumber males on average in Ethiopia, their contribution to the country's economic development is modest, they have not yet investigated the perceptual challenges that female company owners in Bule Hora town, Ethiopia, confront. Because of this, researchers in this study try to assess the numerous factors that affect how female entrepreneurs are seen in Bule Hora, Ethiopia. As was mentioned at the outset, many women in Bule Hora town are still underutilizing their potential to contribute to economic growth. One of the reasons for this may be the problems with the low participation of female entrepreneurs in company operations. Several challenges are faced by female business owners (Adula & Kant, 2022);(Adula et al., 2023). This study differs from previous ones in that it concentrates on existing and future female entrepreneurs. In addition, this research is mainly concerned with how people perceive female entrepreneurs in action and with regard to being entrepreneurs. As of now, no research has been done on the perceived difficulties faced by female business owners in Bule Hora town, Ethiopia.

Research Objectives

To determine the principal difficulties that active female entrepreneurs confront. To research the main obstacles that would-be female business owners must overcome. To examine how female business owners who are not currently operating view the difficulties they face.

Methodology

Description of Study Area

Bule Hora town is located in Ethiopia's Oromia regional state's West Guji Zone, 490 kilometres from the country's capital Addis Ababa. There were 264,489 people living in the Bule Hora woreda, 133,730 of them were male and 130,759 were female. 35,245 people, or 13.33% of the total population, lived in urban areas. 74.42% of the population was Protestant, followed by 1.4% of Catholics, 5.85% of Muslims, 5.81% of Ethiopian Orthodox Christians, and 11.24% of those who practised traditional beliefs (*Gemechu Tufa & Kant, 2023a*).

Research Design

The study used a qualitative research methodology and an exploratory research design. The methods used in qualitative research are varied. An interpretative phenomenological approach to qualitative research, namely, has been used for this study. A researcher can obtain the perceptions and insights of female entrepreneurs on their entrepreneurial activities thanks to the exploratory research design, which places an emphasis on the discovery of ideas and insights (*Kabbara & Zucchella, 2023*). The goal of an interpretive phenomenological study is to investigate and comprehend how people actually experience a certain phenomena. It is phenomenological in that it analyses individual perceptions and meanings attached to an item or an experience and is concerned with the lived experience of the individual (*Wakjira & Kant, 2022b*). The explanatory qualitative research makes it possible to learn about each participant's unique perspective and experience with entrepreneurial endeavours. As a result, this enables researchers to determine how female entrepreneurs perceive business obstacles.

Study Population

The potential and active female entrepreneurs were the study's target audience. This study included participation from the concerned government officials.

Sample Design

A deliberate sampling technique has been utilised to choose participants for this investigation. Three active female, three potential entrepreneurs, one from each kebele (the smallest administrative unit in Ethiopia), a specialist in female's issues, and a representative from micro and small businesses have all been specifically chosen to participate. The researcher was able to gather enough information regarding how female entrepreneurs perceived business challenges because to inclusive selection criteria.

Sources of Data and Methods of Data Collection

Personal interviews have been used in this investigation. This is because conducting an interview is the best method for learning about things like feelings, ideas, and intentions that we are unable to directly witness (*Wakjira & Kant, 2022a*). All of the interviews were performed in Amharic and Afaan Oromo, the country of Ethiopia's regional tongue, with the assistance of the researcher and one of his or her assistants. Personal interviews have been conducted using in-depth interview questions. In the beginning, the researcher conducted a pilot survey and prepared interview questions. The literature reviews served as the source for all of the test questions.

Method of Data Analysis

A dicta recorder was used to record the interview data, which was afterwards incorporated. In order to address the phenomenon under inquiry, all of the collected data has been examined and categorized. According to ethical standards and considerations, the informants' identities have remained a secret. For this, a coding procedure was used. All of the interviewers were assigned

the codes R1, R2, and R3 for active and potential female entrepreneurs. Interview informants for prospective female entrepreneurs were categorized as P1, P2, and P3. The interview informant who represented the micro and small business officer was coded as M1, and the interview informant who represented the female affairs officer was labeled as W1. The coding method was applied.

Table 1. Code list

Code	Category	Description
R1, R2, and R3	interviewers	Potential female entrepreneurs
P1, P2, and P3	Interview informants	Active female entrepreneurs
M1	micro and small business officer	Supportive to nurture start ups
W1	female affairs officer	Supportive to nurture start ups

Results

The perception of female entrepreneurs who face obstacles in their business endeavours and those who start businesses in Bule Hora town from kebele were the main subjects of this study. Six female entrepreneurs were interviewed as informants, with the researcher selecting one active female entrepreneur and one potential female entrepreneur from each kebele. In chronological order, their ages were 26, 28, 31, 23, 41, and 45. Two of the females in action are service canteen employees (R1, R2), and one of the female entrepreneurs works in the stationery industry. Both of them completed grade 10; one of them has a diploma and works as a nurse (R3). The first potential female entrepreneur has a graduate degree (P1); two of them are housewives (P2 & P3); and their ages are listed chronologically as 23, 41, and 45. The interview questions were sorted into two categories by the researchers: those for actual female entrepreneurs and those who are female entrepreneurs. As a result, the researchers employed several interview schedules.



Figure 3. Integrative Word Tree, Source: MAXQDA Output, 2023

In-Action and Potential Female Entrepreneurship Facing Major Challenges

All of the respondents to the interviews stated that they have encountered difficulties when conducting business. It was discovered that their difficulties are largely the same. However, only a small percentage of female in Bule Hora town were able to acquire finance from credit associations to run their businesses. One participant in the lending system serves as a guarantee for her friend's security. These institutions do not lend enough money, and their contractual commitment to loan payback is inconsistent. As a result, the office treats them according to its interests rather than their

contractual arrangement.

The workplace is a hurdle for female entrepreneurs as well. The majority of active female entrepreneurs encounter workplace difficulties while running their businesses. The source claims that the majority of female work in the service industry, which by its very nature requires a workplace. But female entrepreneurs confront difficulties as a result of uncomfortable workplaces. Similar difficulties with training confront female business owners. According to the interviewees, each problem they confront while putting the business into practise is different (R1, R2, and R3). Due to the female's shared caregiving responsibilities for their husbands, children, and social stigma in the community, the issues come in waves. In response to questions two (2) and four (4), the informant offered the following solutions to the problems they ran into while running their firm. The financial arrangement that has the biggest impact on the business, according to respondent R3, is the most important problem. "I borrow money from the Oromia Credit Saving Association (OSCO), but the sum is quite small, thus it is insufficient for the company' expansion. R1 emphasised the same thing, saying "the finances and workplace place problem is a serious concern, but I am renting a convenient workplace." "I saved the money I got from the business, but it is not enough" (R2). The solution to my financial problem is to borrow money from my family, friends, and coworkers who are closer to me, or to collect "ikubi" which is repaid on a monthly basis (R3).

Most respondents said they were having serious financial issues upon starting their businesses. According to various academic arguments, money is therefore a key factor in corporate growth. Any business, large or small, is thought to as having finance as its "lifeblood" (Van Eeghen, 2021). According to (Fikadu et al., 2023), one of the biggest challenges female encounter while starting and growing a business is money. According to respondents (1, 2, and 3), they borrowed money from the Oromia Credit Association to launch their firm; they filled out the contract's clause describing the loan's return period, but the lender amended it without the respondents' permission. I'm now really concerned about when I have to pay back the loan, R1. "They changed it to a 6-month repayment base-R3," the borrower said. "It used to be a 500 dollar money repayment as per the agreement." "When I came to this realisation, I wanted to shut down the company because I have a family whose well-being depends on my salary. Due to these difficulties (R1, R2), I get the impression that it would be bad to continue doing business. Do they have an issue with female entrepreneurs, based on the data gathered from the microfinance and female's affairs departments? They said "yes" (M1 and M2) as they were aware of the difficulties faced by female entrepreneurs. *How can a woman entrepreneur acquire support to launch a business?* Is the second query. Respondent M2 claimed that the MSE office organised a group in accordance with their wishes, established a deposit account, and began building credit by creating group collateral with one another.

The next query was for MSE and was titled "How your office perceives the challenges of potential female entrepreneurs?" Informants said in response, "Our office believes that the support provided to potential female entrepreneurs is insufficient. We fear that we only support female entrepreneurs in-action (M3) because they are burdened and unable to intricate in the business in accordance with their wants. The female's affairs officer informant responded to question number 3 with, "As per our official plan, the female must receive support from a different organisation, however the support supplied to the female from our office is quite restricted; it is insufficient. The biggest issue for female, in my opinion, is financial access, employment discrimination, and lack of training (W3). The officers often gave the same answers to questions M1 and W1 since they are aware of the difficulties faced by female business owners. There is no doubt that female business owners lack enough working capital and financial resources. Due to a lack of credit availability and actual security on the market, they are unable to obtain outside financial support. The same restrictions were mentioned in earlier investigations as well. Additionally, finding a suitable location to conduct business and gaining training are problems that all female entrepreneurs

encounter. Because female's academic backgrounds are frequently weak, they require training in areas such as creating business plans, keeping track of their earnings and spending, and enhancing their operations in terms of effectiveness, efficiency, and quality. Similar earlier studies [45-51] also illustrate and corroborate these findings.

Organizational Entrepreneurship and Entrepreneurs

Starting a new business or revitalising an existing one is the practise of entrepreneurship, especially for new enterprises, which are frequently started in response to opportunities that have been discovered (Soluk et al., 2021). According to (Somwethee et al., 2023), entrepreneurs are people who capitalise on market opportunities through organisational and/or technological innovation. As stated (Gezu Garuma & Kant, 2023), "entrepreneurship is about taking the risk." Investment in novel ideas to create something that provides value and makes use of market opportunities is another definition of entrepreneurship. An entrepreneur is "a person who regularly creates and innovates to build something of recognised value around perceived opportunities," according to Bolton and Smith. To better comprehend the elements and characteristics that lead to entrepreneurship, international marketplaces should be incorporated in the study of entrepreneurship globally.

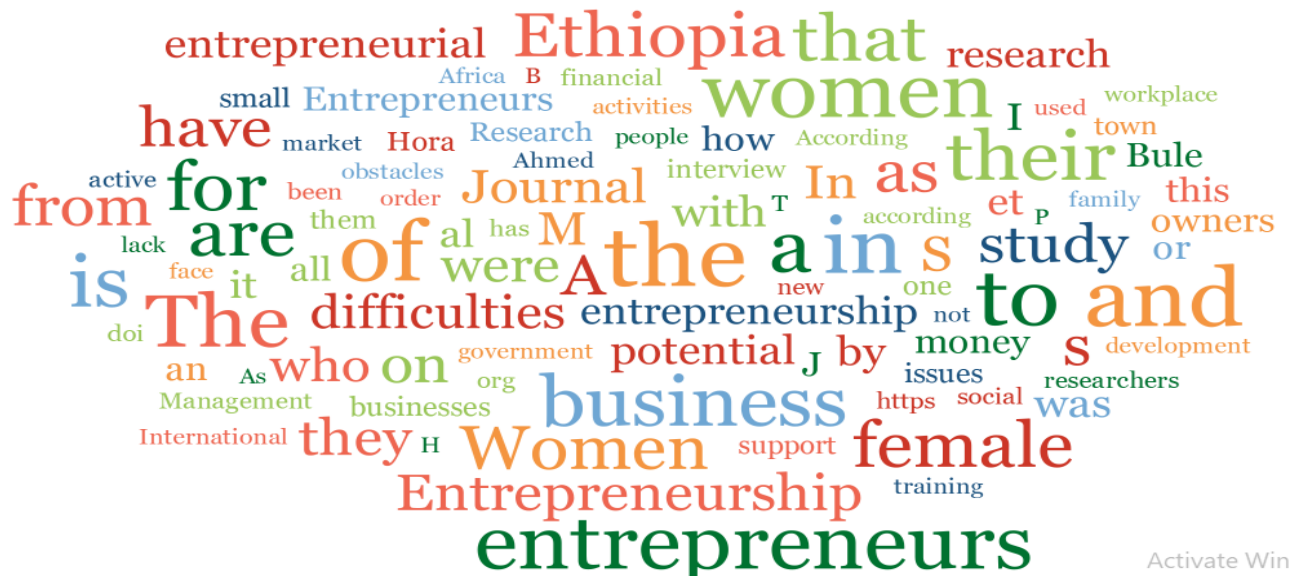


Figure 1. Word Cloud (Source: MAXQDA Output, 2023)

a. Female Entrepreneurs

Females typically manage business activities because they plan, organise, direct, and oversee those tasks. Female-owned, managed, and controlled businesses are referred to as "female entrepreneurs". Entrepreneurs are women who wish to launch their own new businesses, either alone or in groups. Women who have started their own businesses by taking a risk on their own to take advantage of market opportunities while employing managerial skills are considered female entrepreneurs. Female entrepreneurs assist their families as well as the expansion of the national economy by creating work opportunities (Kant & Asefa, 2022). Women who start their own businesses "have a positive impact not only on their family but also on the nation and society," according to research (Kant & Asefa, 2022).

b. Challenge Faced by Female Entrepreneurs

Financial Constraints

Access to capital is the major issue for female business owners in Ethiopia (Kant et al., 2022). Because female have less access to formal education, less ownership of property, and less entrepreneurial skill than men, formal financial institutions do not trust female. In one particular area, female are also unstable (Kant et al., 2023). The growth of their credit base is urgently needed given the significance of female entrepreneurs in developing African nations (Kenesa Kebede et al., 2023).

Single-Case Model (Code Hierarchy)

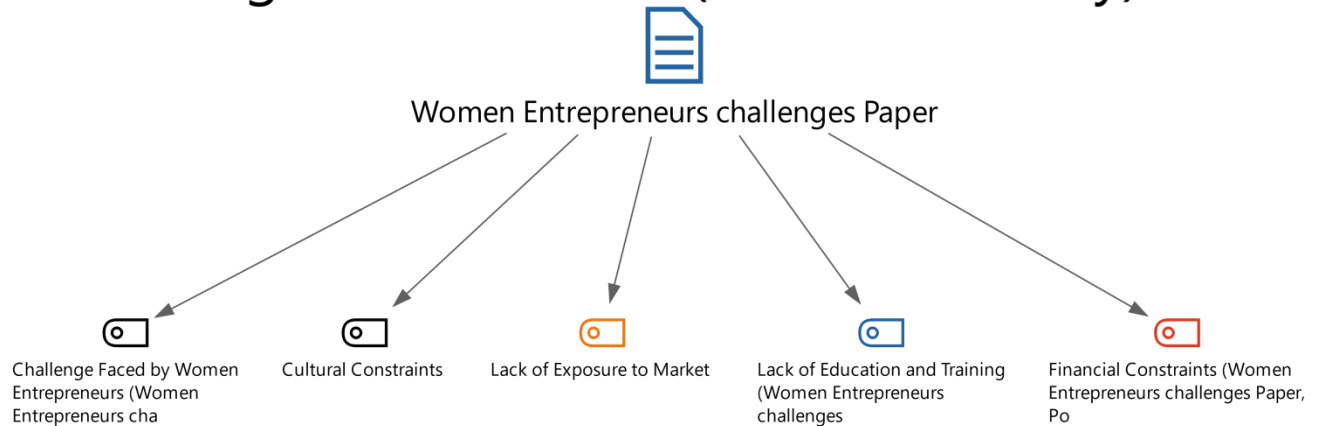


Figure 2: Code Hierarchy, (Source: MAXQDA Output, 2023)

Lack of Education and Training

The most important factor for starting a firm, especially for female entrepreneurs, is business education and skill (Llados-Masllorens & Ruiz-Dotras, 2022). The expertise, talent, business experience, social network, and financing availability of female entrepreneurs are limited (Hendratmi et al., 2022). The two biggest obstacles for female business owners are education and work- or business-related experience. According to numerous studies, female entrepreneurs perform better when their skill gaps are filled through training and business expertise (Pimpa, 2021).

Lack of Exposure to Market

Entrepreneurship is motivated to develop cutting-edge knowledge and abilities to boost income and meet market demands (Negeri et al., 2023). To survive in the market, they need well-organized managerial activities. Entrepreneurs are compelled to keep up with new technologies in order to remain competitive (Eliakis et al., 2020).

Cultural Constraints

Only through helping their husbands' enterprises do female in Africa demonstrate their entrepreneurial skills (Shiferaw & Kant, 2023). Female entrepreneurs "face additional disadvantages due to the prevalent social and cultural gender-based inequalities and biases. According to (Gemechu Tufa & Kant, 2023b), the situation is similar because the country's population is made up of more than 76 different ethnic groups, each of which has its own set of attitudes, traditional beliefs, and opinions regarding working female.

Conclusion

Female entrepreneurs in the study area are those entrepreneurs who operate business activities by exploiting the existing opportunity in the market. Most entrepreneurs run businesses

for survival; the female entrepreneurs in-action face great challenges while doing business activities like lack of finance, workplace, and training. The business skill of female entrepreneurs is also inferior in running a business. The social and cultural problem is a barrier for female entrepreneurs. Thus, for a country's economic development, entrepreneurial skill is essential and incognizant for potential female entrepreneurs to increase the income of the family as well as the society. The working environment of female entrepreneurs' enterprises is another major obstacle. The majority of them incur additional costs since they operate their businesses out of rental properties.

Conflict of Interest

No conflict of interest

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