



**Sudan University of Science  
& Technology**

**College of Graduate Studies**

**ENTREPRENEURIAL ORIENTATION AND  
PERFORMANCE OF WOMEN ENTREPRENEURS  
IN SOMALIA: THE MODERATING ROLE OF  
ENVIRONMENTAL DETERMINANTS**

التوجه الريادى واداء سيدات الأعمال فى الصومال: الدور المعدل للمحددات البيئية

Thesis submitted in fulfillment of the requirements for the  
degree of doctor of philosophy in Business Administration

By

**Ali Yassin Sheikh Ali**

Supervisor

**Dr Abdel Hafiez Ali Hasaballah**

Co-Supervisor

**Dr. Saddigbalal Ibrahim**

September, 2014

## DEDICATION

- ❖ To my parents who taught me discipline and patience, may ALLAH reward and forgive them.
  
- ❖ To my wife **Taqwa Hassan** who share with me the hard time and gave me moral support while I was preparing this dissertation.
  
- ❖ To my children **Feysal, fathio and Abdirahman**.
  
- ❖ To all hardworking and dedicated Somali women entrepreneurs who play a crucial role in building sustainable communities, fostering economic prosperity in long-term.

## ACKNOWLEDGEMENT

In the name of Allah, Most beneficent, Most merciful. May the blessing and mercy be upon our prophet Mohamed S.A.W. My thanks to Allah the first and the last.

I would like to acknowledge the inspirational instruction and guidance of my supervisor Professor **Abdel Hafiez Ali Hasaballah**. He has given me a deep appreciation and love for the beauty and detail of this subject. Special thanks to **Dr. Saddig balal Ibrahim** for his valuable comments on my study in early stage of passing the proposal and findings, these comments pave the way for shaping and revising the study.

I would like to express my sincere appreciation to the Prof. Dr. Yousif Mohamed Ahmed Idris, Dean, College of graduate studies at SUST for his concern and assistance.

My sincere appreciation to the team supported for data collection from Mogadishu, Baida, Bosaso, Borama and marka, thank you Omar Siad, Abdishakur Mogadishu team leaders, Mr. Bakool team leader of Baida, AbdulkadirJamac in Bosaso and students from other regions who contributed to the data collection procedure.

I would also like to acknowledge the support and assistance given me by the SIMAD University and my co-workers there. SIMAD has been very generous in its support of my academic pursuits and many of my co-workers have contributed ideas, feedback and advice. **Mohamed Ibrahim and Ibrahim Hamud**, in particular, assisted this research with their finance and statistics expertise. Special mention and thanks to Ustad **Ismail Sheikh Yusuf Daha**, a graduate student at IIUM who guided me on the statistical analyses. Finally, I would like to thank my wife, **Taqwa Hassan**, for her, love patience, understanding, support and encouragement. I could not have completed this project without her assistance, tolerance, and enthusiasm.

## ABSTRACT

Women entrepreneurs are an important and growing force in the local economy, both in terms of the number of new enterprises and employment opportunities they represent. Somali Women owned businesses are highly increasing in the economies of almost all regions in the country. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society.

The purpose of this study was to examine the moderating role of Environmental determinants on the relationship between the Entrepreneurship orientation and business performance of women entrepreneurs in Somalia. By using proportionate stratified random sampling, 314 women owner micro and small enterprises in four main regions in Somalia responded to the study. The data was collected in May-July 2013 and was analyzed using SPSS version 17.0.

The findings indicated that the most motivating factor of Somali women to enter into entrepreneurship was to income generation or economic opportunity, the second factor was control and third factors was personal freedom to take their own decisions and self-employment, the study was investigated the challenges and constraints that split their entrepreneurship success, the study found that the start-up constraints were believing their entrepreneurship ability, questions of how to get financing and security and political instability in the country while still retaining the security problem after venture creation and became reality, after the starting the venture the most constraints were Combining family and work life, Liquidity and other financial problems and Freedom of mobility, this final was caused the insecurity situation in most south regions in country.

The study explored the socio-cultural barriers of facing Somali women entrepreneurs, the study found that Somali women entrepreneurs face gender-based discrimination to starting and growing their business including discriminatory of commercial credits from financial institutions, face Sexual harassment from workplace, Negative social attitude towards women in business and the overall male domination in the entire business & entrepreneurship works as a hurdle for women entrepreneurs. Furthermore they face challenges from Somali culture of motherhood which gives more intention to this role and women's family obligations also bar them from initiating & becoming successful entrepreneurs because of that women would perhaps prefer to be active partner entrepreneurs with their spouses & provide necessary support rather than initiating & running a business enterprise entirely on their own. These barriers of Social and cultural are seriously obstruct the economic potential of women as entrepreneurs and have an evident negative impact on enterprise development, productivity, and competitiveness, and reduce the growth potential of the country as a whole.

The study also found that entrepreneurial orientation dimensions (innovation and pro-activeness) are positive and statistically significant in the prediction of both dependent variables (financial and non-financial performance indicators), the study revealed that the three dimensions of environmental determinants; the environmental dynamism, heterogeneity and hostility are positively related to Entrepreneurial orientation of firm owned and managed Somali women entrepreneurs furthermore the findings supported the existence of moderation effect of the three dimensions of environmental determinants to EO and firm performance relationship. Recommendations, Contribution of the study, future research and implications are further elaborated.

## مخلص الدراسة

أصبحت النساء رائدات الأعمال قوة اقتصادية مهمة ومننامية يوما بعد يوم في الاقتصاد المحلي سواء في عدد الشركات التي يؤسسنها أو فرص الأعمال التي يوفرنها، وهذه الزيادة المطردة لرائدات تمثل القوة الاقتصادية في جميع الأقاليم في البلاد. وتغيرت روح المغامرة التجارية للنساء مع الحساسية المتزايدة تجاه الدور والحالة الاقتصادية في المجتمع. يهدف هذا البحث إلى دراسة دور متغير المعدل للمحددات البيئية على العلاقة بين روح المبادرة التجارية وأداء العمل لرائدات الأعمال في الصومال.

باستخدام نموذج العينة العشوائية الطبقية المتناسبة، تمكنت هذه الدراسة من جمع بيانات من 314 امرأة من المشاريع التجارية والشركات الصغيرة التي يديرها النساء الصوماليات وذلك في أربعة أقاليم رئيسية في البلاد خلال ثلاثة أشهر (مايو - يونيو - يوليو) من العام الماضي 2013م، حيث تم تحليل البيانات باستخدام الحزمة الإحصائية للعلوم الاجتماعية (SPSS, version 17.0).

ولقد أشارت نتائج الدراسة إلى أن عوامل المحفزة للمرأة الصومالية في دخول المبادرات التجارية كانت من أجل إيجاد الدخل أو الفرص الاقتصادية، وكانت نية التغلب على تحكم الزوج على الدخل وحصول الحرية الشخصية في اتخاذ القرار والعمل الحر العاملين الثاني والثالث المحفرين للنساء الصوماليات دخول العالم التجاري. وبحثت الدراسة في التحديات والقيود التي تعيق نجاح شركاتهن وأعمالهن، حيث استخلصت الدراسة إلى وجود عدد من القيود والتحديات على مستوى المرحلة الأولى من بدء المشاريع: كيفية إيجاد التمويل للمشاريع، عدم الاستقرار الأمني والسياسي في البلاد. وتتمثل التحديات في المرحلة الثانية بعد بدء المشاريع عدم الاستقرار الأمني، والتوازن بين الأسرة والعمل، والسيولة متزامنة مع مشكلات مالية أخرى، وحرية التنقل التي أصبحت عائقا رئيسيا خاصة في المناطق الجنوبية في البلاد.

وبحثت الدراسة أيضا في العوائق الاجتماعية والثقافية التي تواجه رائدات الأعمال في الصومال، حيث وجدت الدراسة أن النساء رائدات الأعمال واجهن التمييز بناء على الجنس عند بدء المشاريع ونمو العمل بما في ذلك استبعادهم من حصول الائتمانات التجارية من المؤسسات المالية، التحرش الجنسي في مكان العمل، وجود مواقف اجتماعية سلبية تجاه المرأة العاملة، الهيمنة الشاملة للرجال بالشركات والأعمال التجارية ما يحد من نجاح رائدات الأعمال. وعلاوة على ذلك، تواجه النساء عائقا ثقافيا يتمثل في دور المرأة الصومالية في الأسرة والمجتمع، حيث يكون الدور الأساسي للمرأة لرعاية الأطفال والقيام بالواجبات المنزلية، وهذه تحد من محاولات النساء في بدء المشاريع والنجاح فيها، وذلك لأن معظم النساء تحبذن أن يكن شركات تجارية مع أزواجهن على أن يبدأوا بأعمالهن الخاصة. وهذه التحديات الاجتماعية والثقافية تعيق الامكانيات الاقتصادية لدى النساء كرائدات الأعمال، ولها تأثير سلبي على تطور الشركة والإنتاجية والتنافسية، كما تقلص من إمكانيات النمو في البلاد عموما.

كما اكتشفت الدراسة أن أبعاد روح المبادرة التجارية (الابتكار والفاعلية) لها تأثير إيجابي ذات دلالة إحصائية على مؤشرات المتغيرات التابعة (الأداء المالي وغير المالي)، كما وجدت الدراسة أن الأبعاد الثلاثة للمحددات البيئية (الدينامية، عدم التجانس، الخصومة) ارتبطت إيجابيا مع روح المبادرة التجارية للشركات والمؤسسات الصغرى التي تديرها النساء الصوماليات. وبالإضافة إلى ذلك، أيدت الدراسة فرضيات تأثيرات التوسطية للأبعاد البيئية الثلاثة على العلاقة بين روح المبادرة التجارية وأداء الشركة. وأخيرا، ختمت الدراسة بإسهامات الدراسة، الآثار المترتبة، نطاق البحوث المستقبلية، وتوصيات الدراسة.

# TABLE OF CONTENTS

Dedication .....	ii
Acknowledgement.....	iii
English Abstract .....	iv
Arabic Abstract .....	v
Table of contents .....	vi
List of Tables.....	x
List of Figures .....	xii
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Introduction.....	1
1.2 Research background.....	1
1.3 Problem statement.....	8
1.4 Research questions.....	11
1.5 Research objectives .....	12
1.6 Significance of the study....	13
1.7 Scope of the study .....	16
1.8 Definition of key terms .....	16
1.8 Organization of the study chapters .....	18
<b>CHAPTER 2: REVIEW OF THE LITERATURE.....</b>	<b>20</b>
2.1 Introduction .....	20
2.2 Entrepreneurship definitions and concepts .....	20
2.3 Women entrepreneurship literature .....	25
2.3.1 Definition of women entrepreneur .....	28
2.3.2 Women in business: Global context.....	28
2.3.3 Women in business: African context.....	30
2.3.4 Women in business: Somali context.....	31
2.3.5 Demographic profiles of women entrepreneur.....	36
2.3.6 Motivational factors to become entrepreneurs .....	38
2.3.7 Challenges and constraints faced by women entrepreneurs .....	43
2.4 Entrepreneurial orientation .....	46
2.4.1 Meaning and concepts of entrepreneurial orientation .....	46
2.4.2 Dimensions of entrepreneurial orientation .....	47
2.4.2.1. Innovation .....	47
2.4.2.2. Pro-activeness .....	48
2.4.2.3. Risk taking .....	49
2.5 Firm performance .....	51
2.5.1. Definition and concepts of firm performance .....	51
2.5.2. Financial performance measures .....	52
2.5.3. Non-financial performance measures.....	53
2.6. Linkage of entrepreneurial orientation to firm performance .....	55
2.6.1. Innovativeness and firm performance .....	56
2.6.2. Pro-activeness and firm performance.....	57
2.6.3. Risk taking and firm performance.....	58
2.7. Environmental determinants .....	59

2.8. Theoretical background of the study relationships .....	63
2.8.1. Entrepreneurial orientation constructs.....	63
2.8.1.1. Sub-dimensions of EO and firm performance .....	64
2.8.1.2. EO-environment-performance link .....	65
2.8.1.3. EO-environment-performance relationships.....	67
2.9. Summary and conclusion.....	72
<b>CHAPTER 3: RESEARCH FRAMEWORK AND METHODOLOGY .....</b>	<b>73</b>
3.1 Introduction.....	73
3.2 Theoretical framework.....	73
3.2.1. Financial capital/liquidity theory.....	77
3.2.2. Social capital or social network theory .....	78
3.2.3. Human capital entrepreneurship theory.....	78
3.3 Conceptual framework.....	79
3.4 Developing research hypotheses.....	82
3.4.1 Entrepreneurship and firm performance.....	83
3.4.2 Environmental determinants and EO.....	88
3.4.3 Environmental determinants and firm performance.....	93
3.4.4 Environmental determinants as moderators .....	95
3.5 Research methodology.....	98
3.5.1. Research design .....	98
3.5.2. Research Population .....	100
3.5.3. Sample size.....	101
3.5.4. Sampling procedure.....	103
3.5.5. Questionnaire development.....	103
3.5.6. Measurement of variables.....	106
3.5.6.1. Entrepreneurial orientation .....	106
3.5.6.2. Firm performance.....	107
3.5.6.3. Environmental determinants .....	107
3.5.7 Data analysis techniques.....	108
3.5.8 Validity and reliability of instrument .....	110
3.5.9. Ethical consideration .....	109
3.5.10. Chapter summary.....	111
<b>CHAPTER 4: DATA ANALYSIS AND RESULTS .....</b>	<b>112</b>
4.1 Introduction.....	112
4.2 Normality of data .....	110
4.3 Response rate .....	118
4.4 Demographic data and business profile .....	119
4.4.1 Respondents' demographic characteristics.....	119
4.4.2 Respondents' business profile .....	123
4.4.3 Time dedicated to the business per day.....	125
4.4.4 Source of entrepreneurship advice .....	126
4.5 Goodness of the measures.....	127
4.5.1 Reliability analysis of all variables.....	127
4.5.2 Validity test using factor analysis.....	127
4.5.2.1 Factor analysis on EO constructs .....	129
4.5.2.2 Factor analysis on environmental determinants.....	131
4.5.2.3 Factor analysis on firm performance .....	134

4.6 Modified conceptual framework .....	137
4.7 Descriptive statistics .....	139
4.7.1 Entrepreneurial orientation of Somali women .....	139
4.7.2 Environmental determinants .....	140
4.7.3 Firm performance .....	142
4.7.3.2 Firm financial performance.....	143
4.7.5 Firm non-financial performance .....	143
4.8. Research questions .....	145
4.8.1 RQ1: Motivational factors .....	145
4.8.2 RQ2: Constraints and challenges.....	146
4.8.2.1 Entrepreneurs' Constraints.....	146
4.8.2.2 Constraints of post venture creation process .....	147
4.8.2.3 Gender and socio-cultural barriers.....	148
4.8.3 RQ3: Entrepreneurial orientation adoption .....	151
4.8.4 RQ4: Entrepreneurs' performance .....	152
4.9 Correlation between all the research variables.....	153
4.10 Hypotheses testing .....	156
4.10.1 Entrepreneurial orientation and firm performance.....	156
4.10.2 Environmental determinants and entrepreneurial orientation ..	159
4.10.3 Environmental determinants and firm performance.....	159
4.10.4 Moderating test.....	163
4.10.5 Summary of hypotheses testing.....	173
4.11 Chapter summary .....	175
<b>CHAPTER 5: DISCUSSION AND CONCLUSIONS.. .....</b>	<b>176</b>
5.1 Introduction.....	176
5.2 Recapitulation of the major findings .....	175
5.3 Discussion of the findings .....	182
5.3.1 Profile of Somali women entrepreneurs .....	182
5.3.2 Motivational factors of Somali women entrepreneurs .....	186
5.3.3 Challenges and constraints .....	187
5.3.4 Entrepreneurial orientation and firm performance .....	189
5.3.5 Environmental determinant and entrepreneurial orientation.....	190
5.3.6 Environmental determinant and firm performance .....	192
5.3.7 Moderation effect of environmental determinant.....	193
5.4 Theoretical implications .....	194
5.5 Managerial implications .....	197
5.6 Limitations of the study and suggestions for future research .....	299
5.7 Recommendations.....	201
5.8 Conclusion .....	203
<b>REFERENCES .....</b>	<b>206</b>
APPENDIX - A:.....	224
Appendix- A1: Questionnaire cover letter:.....	224
Appendix- A2: Questionnaire:.....	219
Appendix- A3: Conference certificates .....	230
Appendix- A4: Publication during PhD candidature:.....	236
Appendix- A5: Seminar notice: .....	238
Appendix- A6: Time frame: .....	239
Appendix- A7: Budget.....	241



APPENDIX - B:.....	243
Appendix- B1: Regression between innovation and financial performance. ...	243
Appendix- B2: Regression between innovation and non-financial P.....	246
Appendix- B3: Regression between pro-activeness and financial P.....	249
Appendix- B4: Regression between pro-activeness and non-financial P.....	252
Appendix- B5: Regression between ED and Financial Performance.....	255
Appendix- B1: Regression between ED and EO.....	258

## List of Tables

<u>Table No.</u>		<u>Page No.</u>
1.1.	Some Entrepreneurship Definitions	3
3.1.	Sample size calculations	102
3.2.	The interpretations of the mean values	109
3.3.	The meaning of the values of correlation coefficient	110
4.1.	Normality test for all main variables	114
4.2.	Response rate	118
4.3.	Demographic characteristics of the respondents	121
4.4.	Business characteristics of the respondents	124
4.5.	Time dedicated for running entrepreneurship per day	126
4.6.	Source of entrepreneurship advice	126
4.7.	Reliability test for all variables	127
4.8.	Exploratory Factor analysis for Entrepreneurial orientation	131
4.9.	Exploratory Factor analysis for Environmental determinants	133
4.10.	Exploratory Factor analysis for firm performance	136
4.11.	Modified hypothesis	138
4.12.	Descriptive Statistics of Entrepreneurial Orientation	140
4.13.	Descriptive Statistics of Environmental determinants	142
4.14.	Descriptive statistics on Firm performance	144
4.15.	The main reasons for starting entrepreneurship	146
4.16.	Women firm's Start-Up constraints	1
4.17.	Women firm's constraints after running the business	147
4.18.	Gender socio-cultural barriers	150
4.19.	One-Sample t-test for innovation and Pro-activeness	152
4.20.	One-Sample t-test for financial performance and non-financial performance indicators	153
4.21.	Zero-order correlation for all variables	155
4.22.	Multiple Regressions: Innovation and Pro-activeness on the firm financial performance	158
4.23.	Multiple Regressions: Innovation and Pro-activeness on the firm non-financial performance	159
4.24.	Multiple Regressions: Environmental hostility, heterogeneity and dynamism on Entrepreneurial orientation	161
4.25.	Multiple Regressions: Environmental hostility, heterogeneity and dynamism on firm performance	163
4.26.	Model Summary of E-Dynamism interaction with EO and FP	166
4.27.	Hierarchical Regression: Moderating of Environmental Dynamism on the Relationship between EO and Firm Performance	167
4.28.	Model Summary of E-hostility interaction with EO and FP	168
4.29.	Hierarchical Regression: Moderating of Environmental Hostility on the Relationship between EO and Firm Performance	169
4.30.	Model Summary of E-heterogeneity interaction with EO and FP	171
4.31.	Hierarchical Regression: Moderating of Environmental heterogeneity on the Relationship between EO and Firm Performance	172
4.32.	Summary of hypothesis	174

## List of Figures

<u>Figure No.</u>		<u>Page No.</u>
3.1.	Integrative conceptual model	81
3.2.	Entrepreneurial orientation and firm performance	84
3.3.	Environmental determinants entrepreneurial orientation	90
3.4.	Environmental determinants and firm performance	93
3.5.	Moderating effect of environmental determinants between EO and firm performance	95
4.1.	Data Normality of Entrepreneurial orientation items	115
4.2.	Data Normality of Environmental Factors items	116
4.3.	Data Normality of Firm performance indicators	117
4.4.	Scree Plot on Entrepreneurial orientation construct	129
4.5.	Scree Plot on Environmental determinants construct	132
4.6.	Scree Plot on Firm performance construct	134
4.7.	Modified conceptual framework	137
4.8.	EO and FP	157
4.9.	ED and EO	159
4.10.	ED and FP	162
4.11.	Interaction Graph, E-dynamism, EO and firm performance	167
4.12.	Interaction Graph, E-Hostility, EO and firm performance	170
4.13.	Interaction Graph, E-Heterogeneity, EO and firm performance	172

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Introduction**

The interest of this dissertation is to investigate the moderating influence on environmental determinants on relationship between entrepreneurial orientation and firm performance of women owned enterprises in Somalia. This chapter presents the introduction and is divided as follows: research background, problem statement, research questions, research objectives, significance of study, and purpose of the study, scope and organization of the chapters.

### **1.2. Research Background**

Market trends and heightened competition in market place suggest that business firms , should intensify their effort to meet changing needs of customer and offer degree of service quality that satisfies by the customer along with to survive competitive environment magnified by major transformations of globalization.

Business firms are in search for strategies that give them sustainable competitive advantage that is difficult to punch by competitors. Part of these strategies is to have differentiated product and process along with to be inventive and to anticipate potential technical and technological innovations(Lee, Lim, & Pathak, 2011).

The today's business world has changed into a rapidly and increasing hostile and competitive environment and posted a challenge for organizations. The globe has evolved into an effort of an entrepreneurial economy; the formation and creation of new firms is at the midpoint of activity (Chung-wen Yang, Taiwan).

The premise of Entrepreneurial orientation is that entrepreneurial company differs from other kinds of companies. Successful business entrepreneurship must have an entrepreneurial orientation (Covin & Slevin, 1989; Wiklund & Shepherd, 2003; Wiklund, 1999).

Entrepreneurs have become the fighters of economic progress as well as modern-day enterprises (Sathe, 2003). Entrepreneurial orientation is a normally used measure in the entrepreneurship literature (Morris, Kuratko, & Covin, 2008). Small and Medium Enterprises (SMEs) exercise relatively a strong influence on the economies of entire nations, especially, in the rapidly changing and increasingly hostile environment of today's' business (Ladzani & van Vuuren, 2002).

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources.

The concept of entrepreneurship has been variously defined but all definitions revolve around either the activities/functions performed or committing capital and taking risk or the psychological disposition of the actors, the Table 1.1 underlying many definition tried to define entrepreneurship in different manners.

Although each of these definitions views entrepreneurs from a slightly different perspective, they all contain similar notions, such as newness, organizing,

creating, wealth, and risk taking. Yet each definition is somewhat restrictive, since entrepreneurs are found in all professions education, medicine, research, law, architecture, engineering, social work, distribution and government.

Number academic and business member experts have tried to examine the extent of entrepreneur behavior on business performance. Entrepreneurial orientation has been considered as one of the characteristics of entrepreneurial firms. Miller, (1983)“an entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch”. Descendant studies in the 1990’s have come to call the combination of these dimensions to entrepreneurial orientation.

Table 1.1: Some Entrepreneurship Definitions

<b>Author(s)</b>	<b>Definitions</b>
Aruwa(2006)	Defined entrepreneurship as “the willingness and ability of an individual to seek for investment opportunities to establish and run enterprises successfully”.
Ponstadt (1998)	Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitments of providing values for some product or service.
Timmons(1989)	Entrepreneurship is the process of creating and building something of value from practically nothing. That is, it is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled. It involves the definition, creation and distribution of values and benefits to individuals, groups, organizations and society.
Hisrich, Peters, & Shepherd(2005)	Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

Lumpkin & Dess (1996) defined entrepreneurial orientation as process, practice and decision making activity that lead to new entry. In addition, Zahra & Covin (1995) defined entrepreneurial orientation as potential means of refreshing and stimulating existing company, this is done through means of innovation, risk taking and pro activeness in competitive environment.

Different authors have adopted different definition so most uniform definition that currently is used refers entrepreneur orientation as organization's strategic orientation that covers entrepreneur's actions in decision making methods, process and practices.

Performance refers to the ability to operate efficiently, profitability, survive, grow and react to the environmental opportunities and threats (Stoner, 2003 cited by Mawand, 2008). Sollenberg & Anderson (1995) asserted that, performance is measured by how efficient the enterprise is in use of resources in achieving its objectives.

Performance measurement may be defined as the process of quantifying past action, in which measurement is the process of quantification and past action determines current performance (Buytendijk, 2009). Companies measure reward and performance to motivate managers to achieve company strategies and goals. Companies use both financial and nonfinancial measures to evaluate performance. Financial performance is generally defined as the use of outcome-based financial indicators that are assumed to reflect the fulfillment of the economic goals of the firm (Qi, 2010). Non-financial performance measures include customer and employee satisfactions (Horngren, Datar, & Rajan, 2012).

Entrepreneur orientation is regarded being limited areas of entrepreneur researches that has gained substantial concept and empirical attention as body of knowledge is mounting (Rauch, Wiklund, Frese, & Lumpkin, 2004). Most researches directed to entrepreneur orientation such Miller(1983), Covin & Slevin(1989), Lumpkin & Dess(1996),Wiklund(1999), Lee & Choi(2003), as well as Kreiser, Marino, and Weaver(2002)investigated the impact of entrepreneur orientation with different dimensions on business performance they found that entrepreneur orientation has positive relationship with business performance. Entrepreneur orientation is positively correlated to business performance but varies with variation of culture and personality traits(Rauch et al., 2004).

Most previous studies of entrepreneur orientation have been conducted in the developed nations where it is difficult to find a study that investigates the effect of entrepreneur orientation on business performance in the infant markets in developing nations such as Sub-Saharan African context.

Although the entrepreneurial orientation topic has fascinated increasing interest, the majority publication in the field has men enterprises, According to my best knowledge not single study focused in women entrepreneurs owned and running micro and small enterprises in Africa.

According to Ahmad(2011) “Women, entrepreneurs are women who can play a significant role in fostering economic and social development, particularly in the small business sector.” WhileOkafor and Mordi(2010) defines it as“are women who participate in total entrepreneurial activities, and take the risks involved in combining resources in a unique way to take opportunity identified in their immediate environment through production of goods and services.” The definition of women



entrepreneurs in this study is adapted from Nawaz(2010)and it refers to “women, who innovate, imitate or adopt a business activity.”

In Somali community, women are traditionally seen as the backbone of the family, the primary care giver looking after the household and children, while the man protects and provides for the family and acts as its decision maker and representative in the community(Ali, 2012).However, the situation changed after the collapsed central government in mid-1990, Somali women become more active in variety of places, including entrepreneurship. According to Abdel Hafiez and Ali(2013)“ Somali Women-owned businesses are highly increasing in the economies of almost all regions in the country; the hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society” (p.59).

The main researchers in the link between entrepreneurial orientation and performance are Lumpkin and Dess(1996)who offer several propositions about the relationship(Collins & Moore, 1970; Covin & Slevin, 1991; Peters & Waterman, 1982; Schollhammer, 1982; S. A. Zahra, 1993)butthat these assumptions remain largely untested. Zahra(1993, p. 11)cited: “There is a paucity of empirical documentation of the effect of entrepreneurship on company financial performance”.

Lumpkin and Dess(1996)even theorized several possible alternate models with (moderating, mediating, independent, and interaction effects) of the relationship. However, last two decades of empirical research studies have shown conflicting results in the relationship between entrepreneurial orientation and firm performance. For instance, Becherer and Maurer(1997)reported that they found a significant relationship between entrepreneurial orientation and change in firm’s profitability.

That finding was confirmed by Yusuf(2002) who documented that relationship in a sample of 228 businesses in the Gulf of Oman. Yussuf reported a significant and positive relationship between entrepreneurial orientation and firm performance, in which entrepreneurs with high entrepreneurial orientation exhibited higher performance also Ali and Abdel Hafiez(2014)was found that three dimensions of entrepreneurial orientation are positively linked with the performance of Somali women entrepreneurs in Banadir region with sample size of 200 micro and small enterprises.

However, research from Wiklund and Shepherd(2003) only found some support for the relationship, they did not find significant direct relationship; their findings suggested that knowledge-based resource are positively related to firm performance and that entrepreneurial orientation enhanced that relationship. Further research by Wiklund& Shepherd(2005) provided more insight in that relationship, they found positive relationship between EO and FP for Small enterprises; that relationship was enhanced when access to capital and environmental dynamism were added in their model.

Although the results of the study have been found and the resulting findings are quite significant, the relationship between EO and company performance can not be seen in the simple perspective. Authors such as (Covin & Slevin, 1991)and Zahra(1991) referred to the lack of systematic empirical evidence in causal relationships between EO and performance. Environmental factors, including the heterogeneity, hostility and dynamics, are going to play a role in determining the relationship between EO and company performance (Lumpkin & Dess, 1996; Nelson & Coultard, 2005; Wiklund & Shepherd, 2005; S. Zahra & Covin, 1995).

Therefore, the extent to which the company's ability in dealing with dynamics and hostile environment is an important issue in determining the positive relationship between EO and firm performance, Based on that issue, more researches are needed to test moderating effect EO – performance rather than direct relationship, and provide more accurate explanations of performance outcomes.

There may be many reasons for such mixed findings, including different industries, different status of companies within their industry (leader/follower) and different stages of growth. In exploring the dimensions of EO therefore, care needs to be taken to identify contextual factors precisely both of the company and the culture in which the company operates.

The proposed research will not only assess the impact of these factors on women enterprises performance, but will also be open to the possibility of additional factors being relevant in this context. To this point the current research will investigate EO as Independent variable and Business performance of women entrepreneurs as dependent variable also will investigate the role of Environmental determinants factors as Moderating variable.

### **1.3. Problem statement**

In today's unstable and highly competitive business environment general tendency is the shortening of product and business model life cycles, therefore future profits that will come from current business operations are uncertain and the firms are forced to constantly be involved in seeking out new opportunities. In this manner firms have to be innovative, involving concepts or activities that represent a departure from what is currently available concerning innovations of products, services or processes, have to be risk oriented, to try out new and uncertain products, services and markets and

have to be more proactive than competitors toward new marketplace opportunities (Covin & Slevin, 1991).

Literature regarding entrepreneurial orientation states that if a firm adopts entrepreneurial strategic orientation it will achieve higher performance than a firm that adopts a bureaucratic or centralized management system to exercise control over as many variables as possible. This argument has received empirical support in the literature (S. Zahra & Covin, 1995; Zahra, 1991). Although, it sounds like an easily comprehensive relationship it is actually much more complex.

Literature also mentions that some empirical research have not found any relation between firms entrepreneurial orientation and the firms performance (Conant & Smart, 1994). Therefore, Lumpkin & Dess (1996) state that previously mentioned relationship is a much more complex because it depends on the external as well on the internal organizational characteristics.

Research indicates that performance can be improved when key variables are correctly aligned (e.g., Naman & Slevin, 1993). This is the basic premise of contingency theory, which suggests that congruence or “fit” among key variables such as industry conditions and organizational processes is critical for obtaining optimal performance (Lawrence & Lorsch, 1967). Contingency theory holds that the relationship between two variables depends on the level of a third variable. Introducing moderators into vicariate relationships helps reduce the potential for misleading inferences and permits a “more precise and specific understanding of contingency relationships” (Rosenberg, 1968, p.100). Because of its concern with performance implications, contingency theory has been fundamental to furthering the development of the management sciences (Venkatraman, 1989). Therefore, to

understand differences in findings across studies, researcher investigated potential moderators of the relationship between EO and performance.

The literature discusses a number of variables that potentially moderate the EO– performance relationship (Lumpkin & Dess, 1996; S. A. Zahra & Garvis, 2000; S. Zahra & Covin, 1995). There is little consensus on what constitutes suitable moderators, however, in the best of researcher knowledge there are no previous studies tested Entrepreneurship orientation in Somali context also the contribution will be testing environmental determinants (ED) as moderating variable and investigating the relationship between entrepreneurial orientation and performance of women entrepreneurs.

For this investigation, the research problem is finding a link between Environmental Determinants, Entrepreneurial Orientation in association with firm performance. Under this framework, first, the investigation confirms a direct positive relationship between the three dimensions of EO (innovative, risk-taking characteristics, Pro-activeness) with firm performance owned by Somali women entrepreneurs. Second, the study verifies direct association of Environment determinants (ED) with performance respectively. Third, the research broadens to confirm if there is a moderating impact of ED on the link between EO characteristics and firm performance. In other words, if a moderating role of ED exist with a) the association between innovativeness and business performance, b) the link between risk-taking and business performance, c) the link between Pro-activeness and business performance.

The entire analysis shall take place under control conditions of entrepreneurial determinants (ED). Therefore, the primary purpose of this study is to test if entrepreneurial orientation within the context of Somali women entrepreneurs associated with the firm performance.

## **1.4. Research Questions**

This research attempts to answer the following main questions:

1. Why Somali women enter into entrepreneurship? What are the factors motivating them?
2. What are the constraints and challenges they face in path of entrepreneurship successes?
3. What are the gender and Socio-cultural barriers that facing Somali Women for entrepreneurship career?
4. Does Somali women owned and managed Micro and small enterprises adopt a strong Entrepreneurial Orientation?
5. Does Somali Women entrepreneurs perform well in their businesses according to Financial and non-financial indicators?
6. What is the relationship between Entrepreneurial orientation Dimensions and firm performance dimensions of women enterprises in Somalia?
  - What is the impact of innovation propensity on firm performance owned and managed by Somali women entrepreneurs?
  - What is the impact of Pro-activeness on firm performance owned and managed by Somali women entrepreneurs?
  - Does risk taking tendency influence firm performance owned and managed by Somali women entrepreneurs?

7. What is the Impact of environmental determinants on Entrepreneurial orientation and firm performance?
  - To what extent environmental determinants effects on Entrepreneurial orientation?
  - To what extent environmental determinants effects on firm performance?
8. Does an Environmental determinant moderate the relationship between the entrepreneurship orientation and business performance?

## **1.5. Research Objectives**

The main aim of this study is to examine the moderating role of Environmental determinants on the relationship between the Entrepreneurship orientation and business performance of women entrepreneurs in Somalia.

### **The specific objectives are:**

1. To find out the factors that motivating Somali women entrepreneurs to enter into entrepreneurship.
2. To survey the challenges and constraints that cracks Somali women entrepreneurs.
3. To explore the gender and socio-cultural barriers that facing Somali women entrepreneurs.
4. To investigate the relationship between entrepreneurial orientation dimensions and performance of Somali women owned enterprises.
5. To investigate the moderating role of environmental determinants on the relationship Among Entrepreneurship orientation and business performance.

## **1.6. Significance of the Study**

Governments and educational institutions around the world seem to be focusing on encouraging entrepreneurship because it represents innovation and a self-motivated economy. Women entrepreneurs have been identified as a major factor for innovation and job creation (Organization for Economic Cooperation and Development, 1997) and therefore much research about women who own and run businesses have concentrated on their motivations to become entrepreneurs and their challenges.

The prolonged civil war and insecurity following the collapse of the Somali government in 1991 have caused a huge human suffering and material losses across the south-central regions, leaving physical and emotional scratch marks on all aspects of Somali society. In addition to death and destruction, the violent conflict has resulted in widespread displacement of people both within and beyond the country's borders. Family relationships have been disrupted, traditional social values disappeared, and roles and responsibilities within the family have undergone major fundamental changes (Center for Research and Dialogue (CRD), 2004).

In Somalia, prior to the collapse of the central government women were dominated and guided by men providing financial, leadership and social needs in an autocratic manner and years after that, men became unemployed some have been killed in the civil war which affected the lives of the entire Somali population among the victims were women and children. Somali women came out of their houses searching new ways to live and most of them started businesses at the local markets in the country.



According to Center for Research and Dialogue (CRD) (2004), Somali women are traditionally seen as the backbone of the family and the primary caregivers to the children and the household whilst the man provides the income for the family and makes the decisions about the family issues. During the last two decades both married and unmarried women became primary economic providers to the families going out to the markets doing different businesses.

Therefore this study attempts to explore the Entrepreneurial orientation and performance of Somali women entrepreneurs. In spite of the large body of knowledge published in entrepreneurial orientation, there limited studies had investigated the determinants of firm performance owned and managed by women from the developing nation's perspectives.

However investigation of Entrepreneurial orientation of Somali firms performance may be useful for executives and managers of the service firms because the study provides useful information for level of innovativeness, pro-activeness and competitiveness of their institutions and relation to the environment. Moreover, this study provides information as to how to make more active in the marketplace is important.

Women's empowerment is goal number three of the Millennium Development Goals as well as a very topical subject today in developing countries like Somalia. At the same time there has been a renewed interest since the 1980s in entrepreneurship in general, and women entrepreneurs in particular, in both the industrialized and developing countries.

The knowledge generated by this study is useful not only to the Somalia but also other regions in African context in area of Entrepreneurship orientation and firm performance with relation to external environment. The findings of this study are

likely to be of interest of policy makers and development practitioners in nongovernmental organizations, Somali Federal Government, Donors and as well as business community.

This study will contribute knowledge to the practice and theory of environmental determinants and entrepreneurial orientation particularly for women entrepreneurs. Its theoretical significance will add more insights compared to previous empirical studies done in this area, especially on the issue innovativeness of women entrepreneurs, Pro-activeness and their impact on firm performance.

These contributions are taken in the form of:

1. Effort has been given to develop new financial and non-measurement for micro and small enterprises and validate for owners of new and entrepreneurs venture.
2. The study tested the impact of entrepreneurial orientation on firm performance within least developing nation's context.
3. This study contributed realization of the importance on firm external environment in relation of EO and firm performance.
4. The study examines the moderating influence of environmental factors such Dynamic environment, hostile and heterogeneity on relationship between EO and Firm Performance.
5. The study connects strategic management with entrepreneurship field beside that the theoretical contribution goes to add some relations to feminism theory while this study focusing women owned and managed enterprises in Somalia.

6. The current study will give attention on why women enter into entrepreneurship, the constraints they face before and after venturing and socio and cultural barrier encounter to path of entrepreneurship.
7. Finally, this study also contributes to the growing body of literature on entrepreneurial orientation. While this construct has been utilized in many studies over the past 20 years, its continued testing serves to provide additional supporting documentation for its role in the success of business firms.

## **1.7. Scope of the Study**

This study limits itself to Somali women Entrepreneurs and their firm performance during the period of 2011-2014. It focused on the relational variables and the impact of environmental determinants on the relationship between Entrepreneurial orientation and Firm performance.

## **1.8. Definition of Key Terms**

Following are the key terms repeatedly mentioned throughout this study and are operationally defined as:

**1. Entrepreneurial Orientation (EO)** is defined as: process, practice and decision making activity that lead to new entry, EO dimensions involves a willingness to innovate, take risks and be more proactive than competitors toward new marketplace opportunities( Lumpkin & Dess, 1996).

- A. *Innovativeness*: The innovativeness dimension of EO reflects a tendency to engage in and support new ideas, novelty, experimentation, and creative processes (Lumpkin & Dess, 1996).
- B. *Pro-activeness* refers to how firms relate to market opportunities by seizing initiative in the marketplace, That statement describe that proactive related with seek an opportunity, forward-looking perspective involving the introduction of new products or services ahead of the competition (Lumpkin & Dess, 1996).
- C. *Risk taking* means a tendency to take bold actions such as venturing into unknown new markets and willingness to commit more resources to projects where the cost of failure may be high (Lumpkin & Dess, 2001).

**2.Firm performance (FP)** is the dependent variable in the study and it is defined as the result of business process, practice and activities, Performance measurement is about monitoring an organization's effectiveness in fulfilling its objectives (Terziovski, 2010), financial measurement and financial was utilized in the current study:

**A. *Financial performance*** is generally defined as the use of outcome-based financial indicators that are assumed to reflect the fulfillment of the economic goals of the firm(Qi, 2010). Financial measures are those measures of performance that are based on accounting information(Douppnik & Perera, 2009).For this study we developed 11 subjective items to measure profitability and liquidity measurement.

**B. *Non-financial measures*** are those measures of performance that are based on information not obtained directly from financial statements(Doupnik & Perera, 2009). Important nonfinancial measures included this study was market share, customer satisfactions, new product and budget goal achievements.

**3.Environmental Dynamism (ED):** relates to the rate of unpredictable change in a firm's environment , its uncertainty that erodes the ability of managers to predict future events as well as their impact on the organization(Khandwalla, 1977b).

**4.Environmental Hostility(EH):** is indicative of the scarcity and intensity of competition for environmental resources ( Zahra & Covin, 1995).

**5. Environmental heterogeneity (EHE):**is the number and diversity of forces in the environment due to product and customer differentiation” (Dess & Beard, 1984)

## **1.9. Organization of the Study Chapters**

This thesis is divided into five chapters. **Chapter one** has introduced the topic of the research on which this dissertation is based. This chapter outlined the research problem, research questions, the objectives, the scope, the significance, the definition of terms and the organization of the theses. The **chapter two** presents related literature review, the **chapter three** discusses the research framework and methodology, data analysis and results are presented in **chapter four**. In **the fifth chapter** of this dissertation, the results drawn from the data major findings, discussion of results was presented, research implication was stated, conclusions and research recommendations was discussed.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.1. Introduction**

In this chapter, the researcher focused on the review of related literature on entrepreneurial orientation and firm performance, the review is conducted under the objectives of the study and focuses mainly on six sections which are, Definitions of entrepreneurship and country background in section one, women entrepreneurs in section two, section three will discuss the entrepreneurial orientation, firm performance in section four and the moderating variables in section five, summary and conclusion in section six.

### **2.2. Entrepreneurship Definitions and Concepts**

Entrepreneurship is relatively new academic specialization in the premature stages of its development cycle, this creates challenges in defining the field and its scope of his research and development. There could be a dozen of definitions of the entrepreneur/entrepreneurship terms.

Defining the entrepreneurship requires compare and describes more than one Idea, although each of these definitions views entrepreneurs from a slightly different perspective.

There is variety of definitions in the literature of entrepreneurship describing business process and some of these definitions go back to the eighteenth century, which describe entrepreneurship as a process of bearing the risk of buying at certain prices and selling at uncertain prices (Di-Masi, 2010). The definition of entrepreneurship was later broadened and incorporated the concept of bringing

together factors of production. However, the question remained answered for many researchers was whether there is any unique entrepreneurial function. Recently (this century), the concept of innovation was incorporated into the definition of entrepreneurship, which can be in the form of process innovation, product innovation, market innovation, organization innovation and factor innovation. According to (Di-Masi(2010), “Later definitions described entrepreneurship as involving the creation of new enterprises and that the entrepreneur is the founder”.

Entrepreneur is an individual who faces risk and takes on the challenge of creating a new business with profit and growth as business objectives Entrepreneurial activity is the enterprising human action in pursuit of the generation of Value, through the creation or expansion of economic activity, by identifying and exploiting new products. The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since Examples of these intermediate variables are innovation, variety of Supply, entry and exit of firms (competition), specific efforts and energy of entrepreneurs.

Joseph Schumpeter defined “An entrepreneurship is a business or other organization started by an entrepreneur, or business person. The enterprise can be for profit or be a non-profit venture Entrepreneurship as a whole contributes to social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs and net increases in real productivity, entrepreneurship is the driving force for economic performance through innovation, job and wealth creation, and increased income through export activities, Entrepreneurship is innovation in the marketplace that promotes the establishment of high-growth firms” (P. F. Drucker, 2006).



An entrepreneur is an individual who accepts some sort of risk usually financial in the pursuit of new ventures; the word can apply to any person organizing a new project or opportunity, though it is most often used in a business context. A person in this role is often characterized as innovative, independent, optimistic, creative, and hard-working, an entrepreneur is an individual who acts like an entrepreneur but from inside the confines of a large organization or corporation(P. F. Drucker, 2006).

In the mid-90thHisrich defined as “Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence”.

This definition stresses four basic aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves the creation process—creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. This audience can be:

- (1) The market of organizational buyers for business innovation.
- (2) The hospital’s administration for a new admitting procedure and software.
- (3) Prospective students for a new course or even college of entrepreneurship, or
- (4) The constituency for a new service provided by a nonprofit agency

Second, entrepreneurship requires the devotion of the necessary time and effort. Only those going through the entrepreneurial process appreciate the significant amount of time and effort it takes to create something new and make it operational”(Hisrich et al., 2005).

As the above author defines the entrepreneurship we can say that the entrepreneurship is way of creating something new facing some problems which can be psychological or financial but achieving personal success by self-independence business.

The definition of entrepreneur is big and many kinds of people can be classified into entrepreneurs whereas this research pays attention to those entrepreneurs who start and run their own business.

Entrepreneurship is an idea whereas entrepreneurs are physical people. Entrepreneurship is a process and an entrepreneur is a person. Entrepreneurship is the outcome of complex socio-economic, psychological and other factors. Entrepreneur is the key individual central to entrepreneurship who makes things happen. In another way Entrepreneur is the actor, entrepreneurship is the act. Entrepreneurship is the most effective way of bridging the gap between science and the market place by creating new enterprises. An entrepreneur is the mechanism who brings about this change. Entrepreneurship is about seeing opportunities and bringing about change. It is the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

Schumpeter viewed entrepreneurship as a force of "creative destruction". The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them. The writer recognizes that Schumpeter's concept can sometimes be questionable, specifically some products, like vehicles, a quite number

customers around all over the world are still admired and seem to be favorable to buy TOYOTA cars, produced a couple of decades ago, instead of buying the latest models, preferring them for their longer life and resistances in terms of accidents.

According to a business Drucker(2006)took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. a quick example, look at changes in communications—from typewriters to personal computers to the Internet.

In a similar context, Kuratko and Hodgetts(2004) defines and relates entrepreneurship to the functional role of entrepreneurs and include coordination, innovation, uncertainty bearing, capital supply, decision making, ownership and resource allocation entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. Entrepreneurial firm provide support services to large organizations that seek to outsource their production or other internal tasks such as research and development. The entrepreneur can be broken down into three Latin roots 'entre' meaning to 'enter', 'pre' meaning 'before' and 'neur' meaning 'nerve center describes someone who enters a business any business in time to form or substantially change that business's nerve center. Banfe (2005,p.2) believes that entrepreneurship involves "rethinking conventional paradigms, and discarding traditional ways of doing things".

According to Karen (2009) Entrepreneurship is about growth, creativity and innovation. Focusing risk taking behavior Boschee (2007)defines an entrepreneur is a person who organizes and manages a business undertaking and assuming the risk for the sake of profit.

Entrepreneurship is an ill-defined, multidimensional, concept. The difficulties in defining and measuring the extent of entrepreneurial activities complicate the measurement of their impact on Economic performance. Understanding their role in the process of growth requires a framework because there are various intermediate variables or linkages to explain how entrepreneurship Influences economic growth. Examples of these intermediate variables are innovation, variety of Supply, entry and exit of firm's competition specific efforts and energy of entrepreneurs.

According to Merriam-Webster Dictionary the word Entrepreneur means a one who organizes, manages and assumes the risks of a business or enterprise. The literal meaning of the terms provides some functionality such as assuming risks of businesses. However, one study cited that over the many people were defining the concept of Entrepreneurship in many different ways and there was no consensus that was reached in that regard. Therefore, in order to reach a consensus the broad definition of entrepreneurship could be defined "as activities to promote socio-economic stabilization and effective utilization of resources by stimulating socio-economic progress, creating new values, and providing employment opportunities"(J. Yamada, 2004).

### **2.3. Women Entrepreneurship Literature**

Women entrepreneurs in developed countries enjoy an advantage over those in developing countries in that they have access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organization. Furthermore, access to capital and the acceptance of women as business owners and women in the workplace has dramatically improved (Sherman, 2003). Where women in developed countries do face obstacles, these are societal and based on old norms.

Women entrepreneurs are a driving force in today's modern economy. They shape and redefine the workplace, business networks, financial institutions and culture. There are a number of initiatives designed to motivate women entrepreneurs. Studies show that the experience of women in business is different from those of men. There are profound gender differences in both women's experiences of business ownership, and the performance of women-owned firms (Carter, 2000). Most of the research on women entrepreneurs, limited largely to women in developed countries, has tended to concentrate on unique aspects of the entrepreneurship of women.

There is no agreement among researchers with regard to the differences in the characteristics of male and female entrepreneurs. Some groups of researchers agree that there are no differences. But some others state differences. For example Green and Cohen(1995)stated, "an entrepreneur is an entrepreneur is an entrepreneur," and it should not matter what size, shape, color, or sex the entrepreneur might be. If so, good research on entrepreneurs should generate theory applicable to all. While research shows similarities in the personal demographics of men and women entrepreneurs, there are differences in business and industry choices, financing strategies, growth patterns, and governance structures of female led ventures (p.106)''.

These differences provide compelling reasons to study female entrepreneurship – looking specifically at women founders, their ventures, and their entrepreneurial behaviors as a unique subset of entrepreneurship. Just as we have found that clinical trials conducted on an all-male population do not necessarily provide accurate information about the diagnosis or treatment of female patients, we see that scholarly research focused only on male entrepreneurial ventures leaves

many questions unanswered for their female counterparts. Some argue that it is important to look at female entrepreneurs who, though they share many characteristics with their male colleagues, are unique in many aspects.

Observable differences in their enterprises reflect underlying differences in their motivations and goals, preparation, organization, strategic orientation, and access to resources.

Birley (1987) stressed on the differences even in their background and personal characteristics. He found the female entrepreneurs to be the first born; from a middle or upper class family; the daughter of a self-employed father; educated to degree level; married with children; forty to forty-five at start-up; and with relevant experience. In their desire in starting new businesses, researchers identified a number of reasons for women to become entrepreneurs. South Africa Entrepreneurs Network (2005) as cited in <http://www.dti.gov.za/sawen/SAWENreport2.pdf> pointed out that challenges/attractions of entrepreneurship; self-determination/autonomy; family concerns – balancing career and family; lack of career advancement/discrimination; and organizational dynamics power/politics are reported as main initiators to become entrepreneurs for women. The report also added the desire to make a social contribution and helping others has been found to be a key factor in women choosing to become business owners.

### ***2.3.1. Definitions of Women Entrepreneur***

Women entrepreneurs are women, who innovate, initiate or adopt a business activity (Nawaz, 2010). According to Ahmad(2011),Women entrepreneurs are “women that can play a significant role in fostering economic and social development, particularly in the small business sector.” Okafor and Mordi(2010) argued “Women entrepreneurs are women that participate in total entrepreneurial activities, and take the risks involved in combining resources in a unique way to take opportunity identified in their immediate environment through production of goods and services”. The definition of women entrepreneurs in this study is adapted from Nawaz(2010) and it refers to “women, who innovate, imitate or adopt a business activity”.

### ***2.3.2. Women in Business: Global Context***

In every region of the world, more and more women are seeking economic opportunity and self-determination through enterprise creation. The growth of women’s entrepreneurship is frequently cited on an anecdotal basis, and is increasingly covered and commented upon in the business media (The Economist, 2006). By most accounts, looking at a variety of surveys and statistical sources, it appears that between one-quarter and one-third of the formal sector businesses worldwide are owned and operated by women; the share of informal enterprises owned by women is even greater (United Nations, 2000).

The number of Women in Small business has been increasing in self-employment; and that increasing numbers of these were home-based. On a global level, women represent more than one third of all people involved in entrepreneurial activity and small business(Arenius & Minniti, 2005).

In America 27 percent of small business has women, in Canada 40 percent of small business industries owned by Women (National Women Business Owners (NFWBO), 1992). There are also trends of women in entrepreneurs by leaving their corporate position to try business ownership. Various estimates claim that by the year 2000, almost 50 percent of all new businesses in North America will have been started by women (Business Development Bank, 1999; Industry Canada, 1999; NFWBO, 1999a).

Women based business are increasing one- third of formal business in Brazil, Australia, Ireland and UK. Also nowadays, women entrepreneurs become part of important factor in world entrepreneurship in terms of contributing economic growth and social development. Many studies confirmed that the major motivating factors of women to start their own businesses are to support their families, to be self-employed, and to generate their own income. Also showed that 44 per cent are engaged in services, 30 per cent in trade, 15 per cent in production, and the remaining 11 per cent in both trade and handicrafts. Researcher such as Welter, Smallbone, Isakova, Aculai and Schakirova (2004) suggested that female-owned enterprises are special significance in the context of transitioning countries for a number of additional reasons. First, they tend to employ other women more frequently, which helps reduce the effect of discrimination against women in the labour market.



### **2.3.3. *Women in Business: Africa Context***

There are very few studies on women entrepreneurs in Africa. This is largely due to the lack of indigenous research studies, lack of information, lack and limitation in contextual African methodologies, lack of relevant and up-to-date data and appropriate instruments of measure and problems of access to African women entrepreneurs in most African cultures and countries. African women entrepreneurs follow a path that is in most cases different from entrepreneurial activities in the developed countries of the West in an attempt to find an African answer to the applicability of models and theories developed in other parts of the world.

In Africa, entrepreneurial activities are gendered in terms of access, control and remuneration. Many women tend to be in small sector microenterprises, mainly in the informal sector. It is inappropriate and undesirable for Africa to import entrepreneurial techniques wholesale from developed countries.

Nevertheless, recognition is growing that, in Africa, women make a vital contribution to economic development. Yet gender continues to have a negative impact on economic development within the African continent. Africa's own economic transition into the new millennium has affected men and women differently. In many countries women still do not have equal economic rights and access to resources. Under these conditions women are unable to take full advantage of the economic opportunities presented by transition (Hendricks, 2000).

Women entrepreneurs in most countries in Africa are severely constrained by factors such as the collapse of the official banking systems, poor transportation systems, the unavailability of foreign exchange, the decline in public services and administration, the collapse of supply systems, harassment, extortion and arrest of entrepreneurs for illegal activities. Women suffer from lack of critical resources.

Women in Africa tend to work in small small-scale enterprises. African women in informal sector activities seem to be the norm on the continent. Engendered access to control and remuneration creates handicaps that include: insufficient capital, limited expansion and women's networks being restricted to micro entrepreneurial activities. Female solidarity has had little success in the face of culture, class, ethnic and socio-economic differences (Horn, 1998).

Robertson(1998)identifies the major constraints to the expansion of entrepreneurial activities for African women entrepreneurs as lack of capital, landlessness, labour, education, family, discrimination and training.

For sustainable development to succeed in Africa, the participation of women in the economy needs to be promoted by reducing poverty amongst females, increasing their access to educational opportunities and enhancing their access to power and decision-making. Our clear understanding of the full range of indigenous women's entrepreneurial activities in Africa, from small-scale trade in the informal sector to large-scale enterprises, will enable us to put the importance of African women entrepreneurs to economic growth on the agenda of international development agencies, as well as African governments.

#### ***2.3.4. Women in Business: Somali Context***

Women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Somali women have to go a long way to achieve equal rights and position because traditions are deep rooted in Somali society where the sociological set up has been a male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family, throughout their life. The Somali culture made them only subordinates, while at least half the brainpower on earth belongs to women. Despite all the social hurdles, Somalia is

brimming with the success stories of women, in terms of increased educational status of women.

Challenges that women entrepreneurs in Somalia face is different from the rest of the World, since 1991 when former regime Mohamed SiadBarre was overthrown the number of women entrepreneurs were increasing as result of male jobless and households started self-employment and generate income to manage their lives and the ability of the Somali women entrepreneurs made it possible to attain economic independent, self-confident which foster *small firm* formation and innovation in particular willingness to take risks and chances.

The traditional-bound civilian regime (1960-1969) did not make women's rights a high priority. The post-colonial administration men held all top political and administrative posts. Although women's right to vote or stand for elections were guaranteed in the constitution, women were de facto able only to vote for men and did not run for office. However, during the Barre regime the rights of Somali women gained wider public acknowledgement. The government introduced a number of laws that brought about significant changes in women's status (Ali, 2012). As a consequence of this legislation, as well as increasing access to education, Somali women were able, in the 1970, and 1980s, to break down some of the socio-political barriers that inhibited their advancement. New opportunities opened up for women in both private and public sector(CRD, 2004).Thus, entrepreneurship is a purposeful activity indulged in initiating and maintaining economic activities for the production and distribution of wealth. It has been recognized as an essential ingredient of economic development and an integral part of socio-economic transformation.

A small but significant number of women rose to executive positions in the government and to midlevel ranks within the armed forces. But the most dramatic

change occurred in the number of women employed as clerks, teachers, nurses and veterinarians. Somali women had very few employment options, usually secretaries and nursing, when women married they were typically encouraged to retire and become a house wife and raise children they might have.

The prolonged civil war and insecurity following the collapse of the Somali state in 1991 have caused immense human suffering and material losses across the south-central regions, leaving physical and emotional scars on all aspects of Somali society. In addition to death and destruction, the violent conflict has resulted in widespread displacement of people both within and beyond the country's borders. Family relationships have been disrupted, traditional social values eroded, and roles and responsibilities within the family have undergone major fundamental changes (CRD, 2004). In Somali society, women are traditionally seen as the backbone of the family, the primary caregiver looking after the household and children, while the man protects and provides for the family and acts as its decision maker and representative in the community. However, the lengthy civil conflict has eroded these traditional roles, forcing people to seek the protection of their clans. Men and boys were forced to fight or leave their home areas to seek work to provide income for their families; some, faced with an inability to protect or support their families, even abandon them. The serious stresses placed upon the family system during this period led to an increased number of divorces, women-headed households, and abandoned children (a phenomenon that was rare in Somali society prior to the collapse of the state).

The well-documented emergence of women as the primary economic providers in the post-war period is not limited to women-headed households. Many married women have also become the main source of income for their households due to high unemployment among men. Generally, men are unwilling or unable to engage in low income opportunities, such as petty trade in local markets. Male unemployment is also compounded by the widespread chewing of *Khat*, a mildly intoxicating plant.

A variety of studies have found that, across Somalia, women now run 80% of petty trade (CRD, 2004) and small businesses, as well as running their own households. It is sometimes argued that this dramatic socio-economic shift demonstrates an enhanced position for women although there is little evidence that this has translated into changes either in their economic status or their decision-making powers outside the family.

The challenges that Somali women face in the economic sphere are exacerbated by poor access to education. Half as many women as men can read and write (adult literacy rates: men 25%, women 13%) and school attendance by girls falls off dramatically from age nine onwards, with secondary school enrolment extremely low among girls in south-central Somalia (CRD, 2004). Although women express keen interest in adult education and several women's groups and Islamic charities support women's education projects, the daily demands to provide material as well as emotional care for the family mean that most women have little time or energy to spare for such projects – let alone collective action to address the underlying causes of their circumstances (Ali, 2012).

Women's economic standing and responsibilities in prewar Somalia varied by location. Women who lived in urban settings might likely have had husbands who worked in industry or government and acted as sole breadwinners for the family. These women would be tasked with the activities of running the household and bearing and raising children. In pastoral families, women shared in some duties outside the household, including the care and feeding of animals, selling of milk, and in some cases herding of livestock. Women in agricultural communities also engaged in activities outside the traditional household duties, assisting in the cultivation of fields and harvesting of crops. Women's work, in the sense of maintaining the household and bearing and rearing children, has historically been recognized as essential to Somali society. Some women have been able as well to secure and maintain control over independent economic resources through inheritance. By tradition, any livestock, jewelry, or other property inherited by a female from her father or older relatives can never be acquired by a husband upon marriage.

This tradition has afforded Somali women some access to property outside of the clan structure. Although some women effectively maintained property, women's contributions to the economic livelihood of the family and clan outside of household duties were largely discounted and ignored, and they did not give women any power within kinship decision-making structures (Timmons, 1989).

In 1997 ACORD, a nongovernmental organization (NGO) conducted a study in Lower Shabelle that found that women in the region were working 30 percent more than men. By 2001 ACORD found that an estimated 70 to 80 percent of the region's households were dependent on women's earnings for the family's livelihood. Somali women faced with either the loss of a husband or a husband unable to find work found means of earning a living through petty trade and

cooperatives established with other women. According to Powers-Stevens, at the household and sub-clan level, (there has been an increased level of respect for the important role women are playing in meeting the economic burdens of supporting the family). This is an area which women will need to capitalize on in the future if they are to increase their voice in decision making levels (Timmons, 1989).

### ***2.3.5. Demographic Profiles of Women Entrepreneurs***

In a study conducted in UAE women entrepreneurs receive their startup capital from personal saving, where the personal saving is recognized as a main source for establishing small businesses in UAE. It revealed that the majority of the businesses in UAE were started with the use of personal saving. The major form of business ownership of Emirati women is sole proprietorship. Some of Emirati women who were mentioned in this study had families who had reacted badly to the starting business (Itani, Sidani, & Baalbaki, 2011).

According to a recent study in Ethiopia (Singh & Belwal, 2008), ninety women entrepreneurs were taken as a sample for the study and twenty two out of ninety from the Ethiopian women were single, thirty were married, fifteen were divorced and twenty three were widowed. On the educational background of Ethiopian women entrepreneurs only sixteen out of ninety were illiterate where the rest seventy four had education between grades four up to grade twelve. According to children they had sixty eight of the women had children who are at the age of schooling and the remaining twenty two had no children. Forty eight of the women had dependent households.

In Nigeria, seventy percent of women entrepreneurs were under thirty five years; seventy five were married and had children. Seventy seven and ninth had educational qualifications. Sixty one and third had started the business from the new

point. The majority of them were sole proprietorship and the most of them had employee who had business experience(Mordi, Simpson, Singh, & Okafor, 2010).

According to Roomi and Harrison(2010), fifteen percent of women entrepreneurs in Pakistan are less than thirty years old, forty seven percent are between thirty and thirty nine, twenty eight percent are between forty and forty nine and nine percent are above fifty years. Eight percent of the Pakistani women in this study are single; seventy seven percent are married; eleven percent is divorced and four percent are widowed. On the educational background eighteen percent have no basic education; twenty three have completed secondary education; fifty two percent have bachelor degree and fifteen percent have master degree.

Another study conducted in Pakistan (Mahmood, 2011) revealed that forty nine percent of the women entrepreneurs are thirty to thirty nine years old; twenty four percent are between forty to forty nine percent. According their marital status ninety two percent of the women is married. In the educational background of these women forty nine percent are uneducated though their husbands have educational background.

In a study conducted byTlaiss and Kauser(2010) found that the demographic profile of women entrepreneurs in Lebanon is that thirty seven and seventh percent are between 31 and 40 years old, thirty point seven percent are 41 up to 50 years old. According to the women's marital status sixty nine and third percent were married with children. Twenty three point nine percent of these women in business have a business experience between five and ten years.

Women entrepreneurs from six countries were investigated having taken eleven women as a sample for the target population in the countries Australia, Canada, Ireland, New Zealand, Singapore and South Africa.



The researchers found that no woman aged between 20 and 29 out of the eleven selected except one in Ireland, women between the age of 30 and 39 in the countries are 4 in Singapore, 3 in South Africa, 5 in Australia, 1 in New Zealand, 1 in Canada and 4 in Ireland. The women in the age between 40 and 49 are 3 in Singapore, 5 in South Africa, 1 in Australia, 3 in New Zealand, 3 in Canada and 3 in Ireland. And lastly women between 50 and 59 in these countries were 4 in Singapore, 2 in South African, 3 in Australia, 1 in New Zealand, 2 in Canada and 1 in Ireland.

According to the level of education of women in business in these countries the study revealed that 2 in Singapore, 4 in South Africa, 3 in Australia, 3 in New Zealand, 1 in Canada and 1 in Ireland have completed their secondary education. On their women's marital status there were no single women in business in Singapore, South Africa and New Zealand but there were 2 single women in business in Australia, 1 in Canada and 1 in Ireland. On the married women side there were 11 married women in Singapore and in South Africa, 5 in Australia, 4 in New Zealand, 3 in Canada and 7 in Ireland. The remaining women were separated or divorced having revealed that 2 women in South Africa and Australia were divorced or separated and 1 in New Zealand (McClelland, Swail, Bell, & Ibbotson, 2005).

### ***2.3.6. Motivational Factors to Become Entrepreneurs***

Entrepreneurship has entered women into main factors of economic development and turned them into world changers (Mansor, 2005). Until the late 1970s, the role of women entrepreneurs was seldom careful (Humbert, Drew, & Kelan, 2009). It was recognized that small and medium enterprises have been the major force in job creation, innovation and economic growth (Gordon, 2000). Furthermore, many of small and medium enterprises are women-owned or operated, but their businesses have also influenced in one way or another structure of all economies.

According to Das (2005), women enter business simply due to different reasons such as; they had time to do the business; they needed something to keep them busy; because their husband is into the same kind of business; or because they see it as an opportunity to start business in that line. Others women were enforced into business because; of their necessity for money either to expend their earnings or because they have a need for business, availability of certain resources such as time, finance, labor, or because they want to be independent and self-sufficient.

Brunstein and Maier(2005) identified three factors that motivated women to become entrepreneurs these factors are chance, forced and created factors. Chance women entrepreneurs are those who begin a business with no clear objectives or plans.

Their businesses probably arrived from hobbies, special interests, involvement in family business. Forced women entrepreneurs are those who were forced to start their businesses by such conditions such as death of a husband, financial problems, with no assistant from anybody, lack of job, divorce. Created women entrepreneurs were categorized into programs and environmental motivated women entrepreneurs.

According to Okafor and Amalu(2012)found that women entrepreneurs in south west Nigeria have weak entrepreneurs performance due to different aspects such as skills necessary to run their business for that reasons they recommended to go training and other capacity building programs so as to be equipped with required skills for running their business.

Studies about motivational factors around the world have been conducted in a number of countries both developed and developing where the researchers found that men and women are motivated similar factors. Among the major factors that

motivate women to start their own businesses are economic separation from the rest of the family and to get the target goal of managing the living (Orhan & Scott, 2001).

According to ILO(2003), some women start business for economic purpose to cover family needs while other women start the business for using their career; understanding of the business; and to enhance their life styles. The factors that motivate women to become entrepreneurs are summarized to push factors which are defined continuing the existence of the life and pull factors which is using the own skills to the field of the business.

Women are becoming entrepreneurs due to several factors which may be classified as “pull factors” and “push factors”. Push factors refer to factors that encourage women to start business enterprises driven by financial need because of family state of affairs (Jesurajan & Gnanadhas, 2011).

According to Chelliah and Lee(2011), push factors are factors such as insufficient family income, dissatisfaction with a salaried job, difficulty in finding work and a need for flexible work schedule because of the responsibility of the family while Pull factors are the factors associated to the independence, fulfillment, entrepreneurial drive and desire for wealth, social status and power.

According to Jesurajan and Gnanadhas(2011), among the factors that motivate women entrepreneurs are to become economically free from their families, tired to work for someone or continue working as salary based employee, there is no job around the location she lives in, to keep busy for herself rather than resting at home, keeping private interest, to proud of wealthy creation, inherited business from family member like father, mother or husband, sensitivity of it as a business opportunity, basic financial requirements, donated money from family members to help her, specific knowledge towards the business and or innovation, Motivation

from the family members, to make profit out of saved money, owning business equipments, society's value to the business, easy market opportunity.

Factors that derive emeriti women entrepreneurs are to become economically free, to develop their country through business creation, to show their strengths and ability to start business. The majority of the women entrepreneurs worry about occupation and household interests where at home they are needed to care the children and husband and at work to serve the customers. Emeriti women receive little help from the male family members since conflicts start once the women neglect their role on the household (Erogul & McCrohan, 2008).

Gadar and Yunus(2009)conducted research using survey methods of questionnaire and interview and they found that women entrepreneurs are motivated by their perception and believe about the economic situation in the places they live in, a target point they set to reach, specific goal towards their business, business organizations.

This research reveals that women entrepreneurs are motivated by the need of economic freedom, ability to do both business and family affairs, to become decision maker on the business, unwilling to do salaried work and boredom on previous salaried work.

Study conducted byEyupoglu and Saner (2011) using survey questionnaire divided women entrepreneurs into two sectors. Women who have business experience and women who do not have business experience. Women who have business experience and skills are motivated by becoming economically free while showing life change and the need to manage their lives while the women who do not have business experience are motivated financial needs such as income generation.

In Tanzania, women entrepreneurs are motivated by push and pull factors. Push factors are to get money to cover the basic needs of the family, to increase the level of her income and contribute to her family, to make herself busy and be away from home and neighbors conflicts and disagreements. On the other side pull factors are to do something to manage, to improve her societal reputation, to balance work and household contacts, to use income from charity organizations, (ILO, 2002).

Mostly women in this study are married. They are motivated by specific target they set for their lives though some of the women are motivated by economic affairs. Women start business to balance their occupation and family affairs. The findings of this study show that women entrepreneurs are motivated by strong economic related issues where those who have the specific target in their businesses turn into women who do not reveal their economic desires.

This study has found four kinds of women entrepreneurs. Those who start business for personal purposes and do not show their economic needs, but later on they reveal their economic desires. There are others whose financial needs are low and establish business venture to balance their business and house arrangements and they later show their economic desires. Some of the women start businesses while revealing their economic ambitions but in a period of time their financial ambition decreases. Lastly there are women, who start business while showing financial needs and do not change their behaviors toward economic seeking (Salleh & Osman, 2007).

Study about what motivates women entrepreneurs, which was conducted in Indonesia reveals that women are either motivated by push factors which are death of husband, financial problem that face the entire family that the women entrepreneur is part of and problems related to financial issues. These women in this category are

from low income families and they do not have formal education. The other type of women entrepreneurs is women who have basic education and wealthy family background and they are motivated by pull factors (Coughlin & Thomas, 2002).

The enhancement of entrepreneurship has a relationship with the characteristics of the entrepreneur. Push and pull factors affect the functions of the firm. Pull factors encourage women to start business and push factors force women to start business (Okafor & Mordi, 2010).

Study conducted in Pakistan shows that most of women entrepreneurs in Pakistan are encouraged by their family members to start businesses and there are other women whom the skills they possess help them to start the business. Business hobby and cheap capital are also among the motivational factors of Pakistani women to become entrepreneurs but the last two factors are less effective than the previous two (ILO, 2003b).

Williams and Gurtoo(2011)explained why women entrepreneurs enter into business and they have mentioned on their study about “women entrepreneurs in Indian informal sectors” that women look for as it is an easy means of employment, lack of competition from large groups and easy accessible, difficult in find white shirt jobs, tradition among the places and people around, and changeable work format.

### ***2.3.7. Challenges and Constraints Faced by Women Entrepreneurs***

Women generally lack the necessary resources for starting and developing their own businesses. Resources critical for success are the assets that women bring with them to the entrepreneurial process in the form of human capital (formal and occupational experiences) and the entrepreneur’s ability to access resources in the environment (e.g. capital, suppliers, customers). Human capital is derived through investment in

education and training. Research supported the theory that women have been impeded from acquiring adequate levels of human capital because of social and cultural forces (Chusmir, 1983).

The major factors that restrain women from business are gender-based discrimination, lack of communal support, limited access to information, inadequate education & training facilities, absence of trust in one's capabilities and access to resources (Afza, Osman, & Rashid, 2010). These arguments are supported by the findings of another research that says that the lack of proper leadership, planning and inadequate financial resource allocation is some other difficulties that women usually face during execution of their businesses (Palaniappan, Ramanigopal, & Mani, 2012).

Besides all the problems women also face some challenges and significant of them are uncloaked guidelines, challenging interactions due to gender, dependence upon their male counterparts for transactions and extra restrictions imposed on them as compared to their gender counterparts (Ahmad, 2011).

Although there are many contributions to be accredited to women entrepreneurs, a number of constraints have been identified as detriments to these contributions. Women entrepreneurs face many challenges, which include: government rules and regulations, lack of access to finance, assets, information technology, infrastructure and other facilities that enable their efficiency and business growth (United Nations, 2006).

Kantor (1999) rightly argued that women often experience greater constraints on their economic actions relative to men. Mayoux (2001) also noted that there are certain factors that limit women entrepreneurs' ability to take advantage of the

opportunities available to them in their environment and these factors have been identified as the reasons why their business fail (Kantor,1999).

On the other hand other factors according to Mayoux(2001) and United Nations (2006) include: poor financial management, liquidity problems, management inexperience and incompetence, poor or nonexistent books and records, sales and marketing problems, staffing, difficulties with unions, the failure to seek expert advice, limited social and business networks, a low level of demand in the local economy, the value and system of tenure for housing, constraints in access to finance, lack of work experience and skill, and lack of role models. Other barriers to women entrepreneurship development are cultural obstacles, lack of motivation, high crime rates and problems during the transition from reliance on government benefits and employment.

Commenting on the challenges facing women entrepreneurs, Gould and Parzen (1990)classified women into “better-off and low-income women”. According to them, “better-off women” face the following challenges: lack of socialization to entrepreneurship in the home, school and society; exclusion from traditional business networks; lack of access to capital; discriminatory attitude of leaders; gender stereotypes and expectation: such as the attitude that women entrepreneurs are dabblers or hobbyists; socialized ambivalence about competition and profit; lack of self-confidence; inability to globalize the business: men are leading in the global market. On the other hand, “low-income women” face challenges such as: poor savings, longer hours to work, health care and other assistance, illiteracy, regulation that do not distinguish between personal business assets make it extremely difficult to start a business or to invest the time it takes to make it profitable, lack of



managerial skill, cultural bias both within cultural group and in the larger society, high level of poverty.

## **2.4. Entrepreneurial Orientation**

### ***2.4.1. Meaning and Concepts of Entrepreneurial Orientation***

Entrepreneurial orientation has been considered as one of the characteristics of entrepreneurial firms. Miller(1983)“an entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch”. Descendant studies in the 1990’s have come to call the combination of these dimensions to entrepreneurial orientation.

Lumpkin and Dess(1996) defined as entrepreneurial orientation as process, practice and decision making activity that lead to new entry.Zahra and Covin(1995) defined entrepreneurial orientation as potential means of refreshing and stimulating existing company, this is done through means of innovation, risk taking and pro activeness in competitive environment.

Different authors have adopted different definition so most uniform definition that currently is used refers entrepreneur orientation as organization’s strategic orientation that covers entrepreneur’s actions in decision making methods, process and practices.

Previous studies regarded entrepreneurial orientation as vital component of firm’s performance, although most researchers found uniform findings then different conclusions and implications are reached because performance is result of inter related variables as well as large number of mediation variables are on hand. Entrepreneur orientation have multitude dimension and each one of them has found

to have association with firms performance, so linkage is different in consideration of several factors (Miller, 1983).

It's worth noting that entrepreneurial orientation ranged from conservative entrepreneurial firms that represent basic strategic position. Entrepreneurial orientation is combination of three dimension some times said five dimensions.

## ***2.4.2. Dimensions of Entrepreneurial Orientation***

### **2.4.2.1. Innovativeness**

Innovation is defined as propensity to promote new idea, experimentation and creation of process more over new way of doing business that firm catches earlier than competitor (Wiklund, 1998). Innovation is reached through creation and generation of idea, R&D is important source of innovation because it involves improving an existing product, develops new product and new methods of product creation as well equipment needed to achieve improved or new production process, although the importance of R&D can't be skipped then firm needs to regard large outlay it incurs in R &D.

Some researchers argue that innovation depends on type of the product and service that company deploys to market. They believe that innovation is intrinsically attached to entrepreneurship so that entrepreneur can change product line as well as being technological leaderships(Schillo, 2011).

However researchers that believe innovativeness is character of entrepreneur deemphasize role of R&D in the innovation rationality is that, when entrepreneur has inborn ability to change its product to gain market entry then it's not necessary to incur large R&D expenditure that may offset any realized financial gain in long run, so R&D should be balanced in wise of cost and benefits equilibrium.

Innovation can't be considered in isolation, innovation is influenced by firms' resource whether it's financial or none financial resource, number of studies highlighted that firms that are financial constrained encounter difficulties in pursuing innovation (Hafeez et al., 2012).

Firms that embrace and manage innovation in an effective manner have superb performance than those have less innovative entrepreneur Hafeez (2012), however innovation is more or less correlated to firms' performance.

#### **2.4.2.2.Pro-activeness**

Pro activeness is defined as trait of entrepreneur to anticipate future business event around the product and technology as well market and consumer demand(Schillo, 2011). It's all about entrepreneur's projections in future to exploit market opportunity and avoid threats. Pro activeness is one way that organization can become market leaders rather than followers. Earlier economists centered pro-activeness to their view of entrepreneur, they considered entrepreneur to someone who identifies market opportunities and pro-actively exploit these opportunities(Lumpkin & Dess, 1996).

According to (Venkatraman, 1989), pro-activeness is core ingredient of entrepreneurship; he stated that pro-activeness is seeking new opportunities that are not restrained to current operation, so entrepreneurs are required to keep their eyes in horizon and to take benefits of upcoming opportunities along with affectively competing in current market.

Firm can become pro-active by: shaping the environment, introducing new product brands and process, as well as shortening product life cycle by eliminating declining stage products, penetrating flourishing markets and utilizing existing opportunities (Coulthard, 2007).

Although previous studies demonstrated that pro-activeness is ability to pursue opportunities identified in the market, pro-activeness is not meant by being first in market or undertaking green field investment. it's all about being attentive to the emerging opportunity in market place (Venkatraman, 1989).

Pro-activeness is important in world competition but does not hold same significance in different industries with different business stages; some authors argue that in franchises industry, pro-activeness is pervasive in startup stage but less important in established firm (Coulthard, 2007). Rationality is that, established firms with strong brand equity are not supposed to engage product changes and intensive market effort unless product is in decline stage or maturity stages and customer face less switching cost (Miller, 2011).

#### **2.4.2.3.Risk taking**

According to Coulthard(2007)risk taking is management decision to take large ventures at foremost, risk taking has been major character of effective entrepreneurs and managers, there is no single person who desires to experience hazardous business event, but real entrepreneurs and experienced managers are able to tackle intimidations in competitive environment and make decision considered a risky but business opportunity in their view.

Entrepreneurs are naturally risk taking individuals according to their decisions to work themselves rather being employed; this also applies to companies and large firms that commit project that cost amount of resource with indefinite results (Madhouse et al., 2011).

Thought previous studies expressed that risk takers are more successful than risk overseers then there is no way to inspire managers to blind risk calculations and commit projects that have clear loss results and will adversely affect firm performance and goodwill. Entrepreneurs should become calculated risk takers, and look for ways to mitigate and shift emerging risks (Schillo, 2011).

Entrepreneurs consider risk as part of life so they have deep awareness for the potential effects of the risk on employment opportunities and firm survival, entrepreneurs should develop viable exist strategies for any risk they decide to descend(H. Lee & Choi, 2003).

However strategies are developed to minimize unfavorable outcome that may be realized from peril decisions taken, its pain full fault to evaluate risk in short run wise only but it must be taken into account potential impacts of taken risk in long run. Entrepreneurs need to identify whether risk will be within manageable limits (Coulthard, 2007).

People are culturally different for risk persuasiveness, anthropologists argue that risk taking or risk aversion is matter of culture and norm that people have a racially. Regardless culture and believes that entrepreneurs have, they need to balance extremes of, departing golden opportunities for fear of risk and taking risk with explicit unfavorable outcome.

## **2.5. Firm Performance**

### ***2.5.1. Definition and Concepts of Firm Performance***

GEM(2004)defined Performance as the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. However, performance seems to be conceptualized, operationalized and measured in different ways thus making cross-comparison difficult.

In recent years, interest in performance or effectiveness measures has grown, as evidenced by the large portion of literature investigating benchmarking, total quality and balanced scorecards (Hussain & Hoque, 2002).

Performance measurement issues are receiving increasing attention as organizations attempt to implement new measurement systems that support organizational objectives (Cavalluzzo & Ittner, 2004). The increased attention forces organizations to improve their performance to survive (Hussain & Hoque, 2002).

Performance measurement is about monitoring an organization's effectiveness in fulfilling its objectives. It provides measures that can be used to evaluate management performance. It helps assess the profitability of current operations, identify areas that need closer attention and allocate resources efficiently. Furthermore, the performance evaluation and related reward system are expected to motivate organizational members to behave in a manner consistent with the organization's goals(Douppnik & Perera, 2009).

Developing an effective performance evaluation system is as much an art as a science (Choi & Meek, 2011). Prior studies have shown that no single criterion can be used meaningfully in evaluating the performance of a company. It is common for companies to use a mixture of measures, financial and nonfinancial to evaluate performance (Douppnik & Perera, 2009).

Companies must decide whether to use financial criteria, nonfinancial criteria, or some combination of the two to measure and evaluate performance (Doupnik & Perera, 2009).

### ***2.5.2. Financial Performance Measures***

Financial performance is generally defined as the use of outcome-based financial indicators that are assumed to reflect the fulfillment of the economic goals of the firm (Qi, 2010). Financial measures are those measures of performance that are based on accounting information (Doupnik & Perera, 2009). Financial statement data are compared within a company, industry averages and with other companies (Weygandt, Kimmel, & Kieso, 2012). They include sales growth, cost reduction, profit and return on investment (Doupnik & Perera, 2009).

Analyzing financial statements involves evaluating three characteristics: a company's liquidity, profitability, and solvency (Weygandt et al., 2012). A principal goal of performance evaluation is to ensure profitability (Choi & Meek, 2011). Two of the more widely used financial performance criteria are return on investment (ROI) and budgeted performance (Choi & Meek, 2011). ROI relates enterprise income to a specified investment base; budgeted performance compares operating performance to a budget (Choi & Meek, 2011).

Earnings are the summary measure of firm performance produced under the accrual basis of accounting. Earnings are important since they are used as a summary measure of firm performance by a wide range of users (Dechow, 1994). The success of a firm depends ultimately, on its ability to generate cash receipts in excess of disbursements. Therefore, one performance measure that could be used is net cash receipts (realized cash flows) (Dechow, 1994).

A research conducted by Mohamed(2013)) used budget goal achievement, service revenue growth, profit growth, return on investment, liquidity and solvency to measure remittance companies' performance. The respondents were asked to degree their satisfactions about these financial performance measures according to their competitors.

Profitability ratios measure the operating success of a company for a given period. Analysts frequently use profitability as the ultimate test of management's operating effectiveness (Weygandt et al., 2012).. Profitability analysis focuses on the ability of a company to earn profits. Liquidity ratios measure the short-term ability of the company to pay its maturing obligations and to meet unexpected needs for cash. Short-term creditors such as bankers and suppliers are particularly interested in assessing liquidity (Weygandt et al., 2012). Solvency ratios measure the ability of a company to survive over a long period of time(Weygandt et al., 2012). The organizations facing the high level of economic uncertainty are likely to use financial measures largely than nonfinancial performance measures(Hussain & Hoque, 2002).

### ***2.5.3. Non-financial Performance Measures***

Nonfinancial measures are those measures of performance that are based on information not obtained directly from financial statements(Douppnik & Perera, 2009). Important nonfinancial measures include market share, customer and employee satisfactions, product and process innovation, on-time performance, product reliability, customer response time, personnel development, employee morale, and productivity and product quality(Choi & Meek, 2011; Hussain & Hoque, 2002).



Despite difficulties in measurement, nonfinancial criteria are considered important in practice. Earlier surveys suggest that market share is important, followed by productivity improvement, quality control, and employee development and safety (Choi & Meek, 2011).

Nonfinancial measures are better predictor of a firm's long run performance and they help managers monitor and assess their firm's progress towards strategic goals and objectives (Hussain & Hoque, 2002).

A research conducted by (Kung & Yan, 2010) assessed the supplier's performance evaluation criteria. The criteria of innovation were the first ranking; quality, the second; efficiency, the third; customer responsiveness, the fourth; and integration capability, the fifth.

Another research conducted by Verbeeten (2008) that investigates whether performance management practices affect performance in public sector organizations in Netherlands found that clear and measurable goals is positively associated with both quantity performance (efficiency, production targets) as well as quality performance (accuracy, innovation and employee morale).

## **2.6. Linkage of Entrepreneurial Orientation to Firm**

### **Performance**

The impact of entrepreneurial orientation on business performance has been debated by researchers; it's found that organizational performance is result of intertwine variable as well as performance is measured different dimension that entrepreneur behavior may not directly affect.

According to Lyon, Lumpkin, and Dess(2000)research states that entrepreneurial orientation does influence firms' performance; they suggested that entrepreneurial orientation positively effects financial performance. Most researchers measured financial performance by sells growth and cash flow. Both items are not easily found as most firms don't discover to their financial statement to external researchers and even if it's found it's hard to confirm whether it reflects organization's financial position.

Wiklund and Shepherd(2005) identified positive relationship between entrepreneurial orientation and organizational performance, Wiklund and Shepherd measured business performance by four dimensions those are: stable environment, high access of capital, dynamic environment and low access of capital. All four items showed that there is positive relationship between entrepreneurial orientation and organizational performance regardless differences of cultural context in the different organizations.

Some empirical researches indicate that relationship between entrepreneur orientation and organizational performance can be viewed as contingent rather than direct relation due to challenges met in the operationalization and measurement of entrepreneurship(Lyon et al., 2000). Some authors stated that Entrepreneur orientation is negatively related to organizational performance when innovation is

combined to low capital investment because of obtaining access to capital has high cost and effect firms' financial performance.

### ***2.6.1. Innovativeness and Firm Performance***

According to McDougall and Oviatt(2000), study measures the three common components of corporate entrepreneurship were pro-activeness, risk-taking and innovativeness. Innovation refers to the willingness to change and adopt new practices and technologies (Lumpkin & Dess, 1996).

On the other hand, as suggested by(Covin & Slevin, 1989; S. A. Zahra, 1993; S. Zahra & Covin, 1995) ;Barrett and Weinstein, 1998; and Antoncic and Hisrich, 2004); found that when Firms that have higher level of corporate entrepreneurship attitude are said to be more successful compared to their counterparts, therefore, these researcher found that there is a positive relationship between corporate entrepreneurship and firm performance. This positive relationship is supported in a study involving small business conducted by (Wiklund & Shepherd, 2005). However other external factors may restrain this positive relationship.

Additionally, as recommended by Bruderl&Preisendorfer, 2000; Drucker, 1985; they said innovativeness is seen by many academicians as the key and essential variable for successful entrepreneurial organization. Another study which investigates relationship between innovations at early-stage start-ups, found a positive correlation between innovation and customer and product performance(Hughes, Hughes, & Morgan, 2007).

### ***2.6.2. Pro-Activeness and Firm's Performance***

Pro-activeness refers to the firm inclination to anticipate future wants and needs, and divert resources from existing activities to new products or services. The firm may be driven by the desire to exploit the advantages associated with the first mover (Lumpkin & Dess, 1996; Venkatraman, 1989)

According to Zahra and Covin(1995), Proactive companies can create first-mover advantage, target premium market segments, charge high prices, and “skim” the market ahead of competitors. They can control the market by dominating distribution channels and establishing brand recognition. The link between risk taking and performance is less obvious. However, there is research to suggest that while tried-and-true strategies may lead to high mean performance, risky strategies leading to performance variation—because some projects fail while others succeed—may be more profitable in the long term (March, 1991; McGrath, 2001)

Pro-activeness involves taking responsibility and doing whatever it takes to ensure an entrepreneurial venture produces successful outcome and it also involves insistence, flexibility and readiness to assume responsibility for failure(Morris, 1998).

An investigation related to pro-activeness of small business holders in South Africa shown that there is a positive significant relationship between pro-activeness and business success (Krauss, Frese, Friedrich, & Unger, 2005).

Furthermore, there are also several studies in the literature underlined the importance of speed of the organizational response to the availability of opportunities in the market to be able to capture them to introduce new products, services, and technologies ahead of its competitors(Miller & Friesen, 1982).

### ***2.6.3. Risk-Taking and Firm Performance***

Risk-taking refers to the readiness of the firm to undertake a risky venture or invest in untried technologies that require substantial capital investment and whose cost of failure is equally high (Lumpkin & Dess, 1996; Miller & Friesen, 1982); Baird and Thomas, 1985). The link between risk taking and performance is less obvious. However, there is research to suggest that while tried-and-true strategies may lead to high mean performance, risky strategies leading to performance variation—because some projects fail while others succeed—may be more profitable in the long term (March, 1991; McGrath, 2001).

Risk taking and growth is less clear. That is the conclusion of Rauch et al., (2009) in their review of the papers about the EO construct. From their meta-analysis of 37 empirical studies, they identify a less intense relationship between risk-taking and performance (Rauch et al., 2009). Lumpkin & Dess (1996, p.114) stated that ‘firms with an entrepreneurial orientation are often typified by risk-taking behaviour, such as incurring heavy debt or making large resource commitments in the interest of obtaining high returns’. Nevertheless successful entrepreneurs are individuals who take calculated risk (Kuratko & Hodgetts, 2004).

Similarly study investigating this dimension, found that risk-taking and organizational performance produced a curvilinear relationship. This pointed out that organizations agree to a modest level of risk-taking were the highest performers when compared with their counterparts who assume very high or very low levels of this dimension (Kreiser et al., 2002).

## **2.7. Environmental Determinants**

Modern entrepreneurs faced with a growing dynamism, complexity and unpredictability of the external environment in which technology, globalization, lack of resources, frequent conjuncture fluctuations, changes in social values, competition, customers, suppliers and many other dynamic forces affect the overall business performance (Asch & Salaman, 2002; Ward & Lewandowska, 2005)

The intensity and the complexity of current changes in the external environment forces companies, small and large, to actively search for new business opportunities all with the aim to create new value added (Stopford, 2001). Thus, the external environment can be defined as a set of elements that exist outside the organization but have a potential effect on some parts of the organization or on the organization as a whole (Daft, 2008; Dess, Lumpkin, & Covin, 1997).

External environment can be defined in a numerous ways, but most scholars define external environment using following aspects: turbulence (Khandwalla, 1977b; Naman & Slevin, 1993); rivalry and dynamism (Miller, 1983; P. L. Yeoh, 1994); volatility (McKee, Varadarajan, & Pride, 1989); munificence (Dess & Beard, 1984; Rasheed & Prescott, 1992) and complexity (Aldrich and Wiedenmayer, 1993).

Turbulent environment as a concept combines unpredictability, expansion and fluctuations in the environment (Khandwalla, 1977b). Level of turbulence can be described as the rate of changes in the environment, and on the other hand, as the unpredictability of these changes (Dess & Beard, 1984).

Environmental hostility is sometimes referred to as a high velocity environment, which is characterized by the intense price, product and technology competition, lack of resources (eg. lack of raw materials, human resources, etc.), serious regulatory restrictions, the relative lack of exploitable opportunities, and

negative demographic trends (Hall, 1980; Miller & Friesen, 1983). A typical characteristic of the hostile environment is fast formation of market changes which results with difficulty in obtaining accurate and reliable information (L. J. Bourgeois & Eisenhardt, 1988).

Dynamism represents the perceived instability and the continuity of changes in the firm's environment. It can be expressed as a extent of change predictability in the environment, as the level of uncertainty in the environment, and can be manifested as the variance in the rate of market and industry change (Boyd, Dess, & Rasheed, 1993; Dess & Beard, 1984)

Dynamic environments are similar, but not the same as high velocity markets that can characterized by the fast-paced changes in demand, technology and competition which can lead to instability, turbulence and unpredictability(Judge & Miller, 1991).

Impact of external environment on entrepreneurial orientation has been observed by many scholars where was concluded that external environment is an important determinant of entrepreneurial orientation on both individual and organizational level (Dess et al., 1997; S. A. Zahra & Covin, 1993)and that it has a moderating effect on the various business strategies (Foxall & Greenley, 1999). Therefore, in today's uncertain and turbulent environment companies are forced to behave in an entrepreneurial way trying to survive in the market. Never more rapid changes in technology and shorter product cycles are forcing companies to be innovative in order to develop new ideas, products and processes, and to more willingly take calculated risks in order to cope with market changes. Moreover, increasing competition, both domestic and foreign emphasizes the need for a more proactive market approach.

An external factor has been described in various ways. For instance, it has been seen as mean situations in the environment while other studies view it as conditions found in the entrepreneurial environment. Hashim(2002)has also described it as factors that are capable of dictating the failure and success of the entrepreneurial firms.

The role of external environment has been widely recognized in determining and dictating the performance and the continued existence of the entrepreneurial firms most especially in the critical time. Therefore, there is need to examined the entrepreneurship development with respect to eternal environment.

Several studies have really examined the impact of eternal environment on the entrepreneurial performance. Hence, some body of knowledge exists in this regard. For instance, Hashim(2002) have shown that external factors have vital role to play in the determination of the failure or success of the entrepreneurial firms. Also study by Arowomole(2000) noted that eternal factors can assign boundaries to entrepreneurial firm and entrepreneurs' decisions and on the other hand provide opportunities from the environment. Similarly, Van DeVen (1993) has argued in his work that any study in the field of entrepreneurship which does not regard other variables such as environment should be regarded as insufficient and incomplete.

He asserted that research in entrepreneurship should try to look at or view entrepreneurship in a social system perspective which on the other hand gives attention to external environmental conditions and thus, should be considered more appropriate in the explanation of entrepreneurial process.



Supporting this, Arowomole(2000) noted that the various factors, forces and actors that make up the external determinant could be the problems or opportunities to the entrepreneurs and therefore can effectively determine or influence the entrepreneurial competence and performance.

Kuratko and Hodgetts(2004) also suggested that external factors could directly or indirectly affect or influence the entrepreneurial decisions thereby also affecting the performance. This study considered and focused on economic and environmental dimension of external factors based on the work of (Kader, Mohamad, & Ibrahim, 2009).

Performance of firms owned by women is influenced by several environmental factors. These factors have received rather limited research attention in the business literature (Katsikeas, Leonidou, & Morgan, 2000; Stoian, Rialp, & Rialp, 2011; Wheeler, Ibeh, & Dimitratos, 2008). The external environment has been conceptualized in a variety of ways. Three elements, dynamism, hostility and heterogeneity are chosen as the environmental characteristics in this study that influencing the performance of Somali women entrepreneurs to persuade entrepreneurial orientation.

## **2.8. Theoretical Background of the Study Relationships**

### **2.8.1 *Entrepreneurial Orientation Constructs***

Early research on entrepreneurial orientation posited that entrepreneurial firms tended to take more risks than other types of firms, especially when faced with conditions of uncertainty (Khandwalla, 1977b; Mintzberg, 1973). Expanding on these views, several researchers operationalized the behavior of entrepreneurial firms as consisting of product-market innovation, pro-activeness of decision-making, and risk-taking (Miller & Friesen, 1983; Miller, 1983).

These scholars maintained that the level of entrepreneurship exhibited by a firm was the aggregate total of these three sub-dimensions. A firm that was truly "entrepreneurial" would exhibit high levels of each dimension. Covin and Slevin (1989, p.218) argued that entrepreneurial orientation could best be measured by summing together "the extent to which top managers are inclined to take business-related risks (the risk-taking dimension), to favor change and innovation in order to obtain a competitive advantage for their firm (the innovation dimension), and to compete aggressively with other firms (the pro-activeness dimension)."

The theoretical model developed by Covin and Slevin (1991) depicted the relationship between entrepreneurial orientation and other important research variables, such as organizational structure and environmental conditions. Covin and Slevin aggregated the three sub-dimensions of entrepreneurial orientation (innovativeness, proactiveness, and risk-taking) together when developing their theoretical model. However, recent research suggests that the three sub-dimensions of entrepreneurial orientation may in fact have differential relationships with other important organizational variables (Kreiser et al., 2002; Lumpkin & Dess, 1996). This study will extend existing conceptualizations of entrepreneurial orientation by

developing a prescriptive model of the relationship between the sub-dimensions of entrepreneurial orientation and firm performance, while also considering internal organizational structure and external environmental determinants.

### ***2.8.1.1. The Unique Relationships between the Sub-Dimensions of EO and Firm Performance***

The three sub-dimensions of entrepreneurial orientation have been shown to possess differential relationships with organizational performance. On the one hand, Begley and Boyd (1987) found that risk-taking had a curvilinear relationship with performance in entrepreneurial firms. Their findings suggested that entrepreneurial firms exhibiting moderate levels of risk-taking would outperform those exhibiting either very high or very low levels of risk-taking. The authors concluded that "risk-taking has a positive effect on ROA up to a point. Beyond that point, increases in risk-taking began to exert a negative effect on ROA.

On the other hand, previous research also suggests that high levels of innovativeness (S. Zahra & Bogner, 2000)(Deshpande, Farley, and Webster, 1993; and pro-activeness (Lumpkin & Dess, 2001; Miller & Friesen, 1983) lead to increased organizational performance. Zahra(1996, p. 189)contended that innovative behaviors were critical to firm survival, arguing "success in today's competitive environment requires a company to pursue a coherent technology strategy to articulate its plans to develop, acquire, and deploy technological resources to achieve superior financial performance." Porter (1980) posited that, in certain situations, firms could utilize proactive behaviors in order to increase their competitive positioning in relation to other firms. Lieberman and Montgomery (1988) argued that first-mover firms were able to gain significant advantages over follower firms.

They defined such first-mover advantages in terms of the ability of pioneering firms to earn higher economic profits through such advantages as technological leadership and increased buyer switching costs (Lieberman and Montgomery, 1988).

The previous arguments suggest that the three sub-dimensions of entrepreneurial orientation may offer unique contributions to the overall level of a firm's performance. For example, high levels of risk-taking are likely to be counterproductive for organizations. Theoretical arguments suggest that risk-taking will display a curvilinear relationship with performance, such that moderate levels of risk-taking will allow firms to outperform those that exhibit extreme levels of risk-taking. This may help to explain some of the mixed findings on the EO-performance relationship, such as the curvilinear relationship between EO and performance found by (Tang et al., 2008). It is also expected that innovative and proactive firm behaviors will be positively associated with firm performance.

#### ***2.8.1.2. The Entrepreneurial orientation- environment-performance link***

The external environment can be broadly defined as "the totality of physical and social factors that are taken directly into consideration in the decision-making behavior of individuals in organizations" (Duncan, 1972, p.314). The relationship between the environment and strategy formation has received considerable attention in the entrepreneurship literature (Covin & Slevin, 1989; Miller & Friesen, 1983; S. A. Zahra, 1993). Specifically, the concepts of environmental dynamism and munificence have played a fundamental role in understanding the strategic decision-making process that occurs within entrepreneurial organizations (Lumpkin & Dess, 2001; Miller & Friesen, 1982; Zahra, 1996).

Environmental dynamism refers to the rate of change and innovation in an industry as well as the uncertainty or predictability of the actions of competitors and customers (Miller & Friesen, 1983, p.222). Environmental hostility refers to the availability of resources and the amount of external opportunities that are present in a specific environmental setting (Dess & Beard, 1984; S. A. Zahra, 1993)

Thus, it stands to reason that environmental characteristics will play an important role in influencing the performance level of entrepreneurial organizations (Covin & Slevin, 1991; Lumpkin & Dess, 1996). The plentiful resources and opportunities afforded to firms in hostility environments make it easier for them to implement their strategic initiatives (Dess & Beard, 1984). In such environments, the relative ease in which firms can acquire the resources necessary for the pursuit of organizational objectives and the decreased threat of competition fosters higher rates of firm survival and growth (Castrogiovanni, 1991).

The constant rate of change in highly dynamic environments also creates numerous opportunities that entrepreneurial firms can exploit (Miles, Covin, and Heeley, 2000). However, the high level of industry stability found in non-dynamic environments allows firms to minimize their costs by not having to consistently develop new and innovative products and technologies to meet changing industry conditions.

### ***2.8.1.3. Contingency relationships between EO-environment-performance***

The three sub-dimensions of entrepreneurial orientation and key characteristics of the external environment may also interact with one another in order to influence firm performance (Lumpkin & Dess, 2001). Specifically, environmental attributes such as dynamism and munificence may moderate the relationship between the three sub-dimensions of EO and performance.

The following section details the theoretical relationship between each of the sub-dimensions of EO, the external environment, and organizational performance; Innovativeness and the External Environment. Organizations operating in dynamic environments are more likely to benefit from new product innovation than firms operating in stable environments (Miller, 1983; S. A. Zahra, 1993) (Miller, 1988).

According to Miller (1988: 284), "product innovation is generally more prevalent and useful in dynamic environments [...] without innovation, firms in such settings fall behind, losing market share and sales". Zahra (1996) found that pioneering activities and radical product technologies are more appropriate in dynamic environments than in hostility environments.

Zahra and Bogner (2000, p.141) found further support for this argument, indicating that dynamic environments serve to "encourage the development of radically new products and technologies in order to capture premium market segments, or preempt competitors' entry." Thus, it is expected that new product innovation and the use of R&D strategies will be more positively associated with firm performance in dynamic environments than in stable environments.

It is likely that firms operating in hostility environments will also be more innovative in their strategic orientation than firms operating in hostile environments. Lumpkin (1996: 46) claimed that "a hostility environment is one in which innovativeness is favored because resources are available to devote to technological development and the growth environment invites a proliferation of new products".

Zahra and Bogner (2000) found that the introduction of radical new products was negatively associated with ROE in hostile environments and that R&D spending was negatively associated with market share in such settings. The negative relationship between innovativeness and hostility was "consistent with theoretical expectations that intense hostility in these markets might make aggressive gambling of new ventures' limited financial resources by offering radically innovative products a poor strategic choice" (Zahra & Bogner, 2000, p.165). Zahra(1996, p.197)found that hostility environments acted to encourage R&D spending within firms, since firms operating in hostile environments may be reluctant to invest heavily in developing new technologies because hostility erodes profit margins and reduces the resources available for innovation.

These theoretical arguments suggest that innovative practices will be more positively associated with firm performance in hostility environments than in dynamic environments. Pro-activeness and the External Environment; there is also an intuitive link between the adoption of proactive firm behaviors and environmental dynamism. Since the industry conditions in a dynamic environment are subject to rapid change, firms that are proactive and actively seek out opportunities will outperform firms that are unwilling to exploit market opportunities.

Dynamic environments act to create many new opportunities for firms, and pro-active strategies can be effectively utilized in order to seize these opportunities and to gain a competitive advantage for the firm (Zahra, 1991).

Zahra(1996)found that dynamic environments acted to increase the evidence of pioneering activities in entrepreneurial firms, which were more uncommon in stable environments. Proactive activities benefited such a firm, since "by reaching the market first and establishing its technology as the standard, the pioneer can dictate the rules of competition" (Zahra, 1996, p.193).

Lumpkin and Dess (2001, p.444) found that "both sales growth and profitability are positively and significantly related to a proactiveness-dynamism link." These arguments suggest that proactive firm behaviors will be more positively associated with performance in dynamic environments than in stable environments.

Proactive behaviors will also be more strongly linked with firm performance in hostility environments. On the one hand, Miller and Friesen(1982)argued that hostility environments promote such behaviors since growing markets are characterized by a great deal of strategic opportunities. Firms that are proactive in their orientation are able to capitalize on these numerous opportunities and, thus, build a strategic advantage in relation to their competition (Lieberman and Montgomery, 1988).

On the other hand, Lumpkin and Dess(2001) argued that hostile environmental conditions would force organizations to abandon proactive behaviors, in order to preserve their limited resources. Such a "conservative use of resources is antithetical to the important role of experimentation and discovery inherent in proactiveness" (Lumpkin & Dess, 2001, p.437). These arguments suggest that



proactive behaviors will be more positively related to firm performance in hostility environments than in hostile environments.

Risk-taking and the External Environment; Theoretical support suggests that dynamic environments will also result in a stronger link between organizational risk-taking and firm performance. Organizations that do not take risks in dynamic environments will lose market share and will not be able to maintain a strong industry standing relative to more aggressive competitors (Covin & Slevin, 1991; Miller, 1983). Khandwalla(1977) found a stronger relationship between organizational risk-taking and firm performance in dynamic environments.

According to Khandwalla, organizations need to make bold, risky strategic decisions in order to cope with the constant state of change common in dynamic environments.

These arguments suggest that organizational risk-taking will be more positively associated with firm performance in dynamic environments than in stable environments.

Risk-taking will also offer the possibility for high payoffs in hostility environments, due to heightened availability of resources in those environments. It is likely that excessively hostile environments will discourage organizations from taking risks that they consider unnecessary and that might harm firm survival (Zahra & Garvis, 2000).

These arguments are consistent with prior research claiming that even risk-taking managers would be discouraged from taking large-scale risks in extremely uncertain environments since the risk-taking would likely not be as effective (Smart and Vertinsky, 1984).

On the one hand, Goll and Rasheed (2005) posited that the lack of resources in hostile environments would "lead firms to avoid excessive risk-taking and pay greater attention to the conservation of resources." On the other hand, firms operating in hostility environments will be able to afford taking risks, since resources are readily available in such hospitable environments.

These arguments suggest that risk-taking will be more positively associated with organizational performance in hostility environments than in hostile environments.

A firm operating in a dynamic and hostility environment should emphasize very high levels of innovativeness and pro-activeness, moderate-to-high levels of risk-taking, and should implement an organic structure. Innovativeness is enhanced in such environments due to the new opportunities created through environmental change in a dynamic environment (Zahra & Bogner, 2000) and the increased resources with which to innovate in a hostility environment (Lumpkin & Dess, 2001).

Pro-activeness is more beneficial because it allows firms to be first movers in responding to changing circumstances in a dynamic environment (Lumpkin & Dess, 2001) and to capture prevalent opportunities in a hostility environment (Lieberman and Montgomery, 1988). While moderate levels of risk-taking tend to be associated with the highest levels of performance in general (McClelland, 1960), risk-taking becomes a bit more useful in dynamic/ hostility environments because it allows firms to improve their industry standing in a dynamic environment (Khandwalla, 1977b) and because the potential problems associated with a failed risk-taking endeavor are lessened due to the availability of slack resources in a hostility environment (Goll & Rasheed, 2005). Finally, an organic structure will allow

organizations the flexibility to respond to the change inherent in a dynamic environment and the resources necessary to benefit from innovativeness, pro-activeness, and risk-taking in a hostility environment.

## **2.9. Summery and Conclusion**

This chapter discussed the definition of entrepreneurship, there is no common acceptable definition of entrepreneurship and entrepreneurial orientation, we discussed also the women entrepreneurs, defined, profiled, discussed the motivation, also we discussed the main variable of the study.

In this chapter, we have mentioned literature related to the effect of entrepreneurial orientation on firm performance, and there were studies about this variables but this study differs from previous studies it added environment as moderator to measure moderating effect of environmental factors such dynamic environment, hostile environment and heterogeneity environment, firm performance items was new in this study, the other studies was focusing on corporation but this study was attempted to focus to the micro and small enterprises (MSEs) owned by female entrepreneurs in Somalia.

# **CHAPTER THREE**

## **RESEARCH FRAMEWORK AND METHODOLOGY**

### **3.1. Introduction**

This chapter presented the research framework in section one, proposed hypotheses in section two, in section three highlights on methodology of the research such the research design, sampling procedure, the measurement of the variables, the development of the research instrument and the administration of data collection. The statistical techniques used to test the hypotheses are also discussed.

### **3.2. Theoretical Framework**

The argument of this dissertation rest on the fact that entrepreneurial orientation would affect business performance of women owned enterprises and this relationship may moderate the external of the environment. This argument is anchored on Resource based view theory (RBV).

Entrepreneurship has been deliberated by many scholars in various specializations including anthropology(e.g., Stewart, 1991); psychology(e.g., Shaver & Scott, 1991); sociology (e.g., Reynolds, 1991); economics (e.g., Kirchoff, 1994) and management(e.g., Stevenson & Jarillo, 1990).

As a result, the conceptualizations of entrepreneurial orientation have been looked at from different angles. The central issue, however, remains the same in all that is to understand what are the main drives for entrepreneurs to achieve higher

performance? But, this is also the central issue of strategic management research that carries a unique focus on the availability of resources.

The research field of entrepreneurship has been considered to be the target of the most diverse areas of study and it is developing very fast (Ronen, 1983; Sexton & Bowman-Upton, 1987).

A significant amount of research in the domain of entrepreneurship addressed the role of resources in entrepreneurial firms. However, the majority of studies conceptualized resources as direct predictors of firm performance (Newbert, 2007).

The Resource-Based View (RBV) theory of the firm become one of the most widely used theoretical frameworks in the management literature (Beard and Sumner, 2004; Runyan et al., 2006). Understanding sources of sustained competitive advantage for firms has become a major area of research in the field of strategic management (Barney, 1991; Grant, 1996) (Wernerfelt, 1984; Porter, 1985).

The resource based view of the firm (RBV) explains that each firm has resources and capabilities, and that there are resources that can be exploited and become sources of competitive advantage under certain conditions.

The foundations of RBV defer from previous paradigms in which other theories of the firm were built upon. The assumptions that the firms are having a competitive advantage because they have heterogeneous resources and that these resources which are immobile and do not hold under RBV; here, it is assumed that there may be heterogeneity in the strategic resources firms, and that there is imperfect mobility in the market of these strategic resources, which is in turn allowing the possibility that firms may achieve a lasting advantage (Barney, 1991).

While resources have been defined from many different perspectives by researchers, for the purpose of this dissertation, resources are defined as anything or quality that is useful (Berney, 1986). Theoretical models of resources have begun to move from the strategic management literature to the entrepreneurship literature on resource dependency (e.g., Salancik & Pfeffer, 1978).

Resources can be tangible or intangible in nature. Tangible resources might be as capital, access to capital and location (among others). Intangible resources consist of knowledge, skills and reputation, entrepreneurial orientation, among others (Runyan et al., 2006). In this contest, this theory defends that, under imperfection of markets exists a diversity of firms and a variation in the specialization degrees that provokes a limited transfer of resources which present type, magnitude and different nature (Amit and Schoemaker, 1993). Therefore, the main factor for firms grow and have success can be found inside of the firms, that is, firms with resources and superior capabilities will build up a basis for gaining and sustaining competitive advantage (Peteraf, 1993).

One shortcoming of the resource-based view is how strategic choice and entrepreneurial orientation are handled. This failing rests on two key points. First, although (Penrose, 2009) work on firm growth is at the heart of the resource view, much of the subsequent literature has ignored her until recently. (Penrose, 2009) believed that its internal management resources limited growth of a firm. In her view, management was the key limited resource. In fact, the managerial constraint on firm growth has been dubbed the "Penrose effect" (Marris, 1963).

Rumelt clearly stated that "entrepreneurship is intimately connected with the appearance and adjustment of unique and idiosyncratic resources" (1984:560), the resource-based view of strategy rarely addresses entrepreneurship and small firm

behavior. Although resource ownership and the efficient use of resources can be the driving forces of organizational activity within the resource-based view, these driving forces may only be appropriate for large firms and not small, growing firms.

The traditional view of entrepreneurship focuses on the importance of having resources (Covin & Slevin, 1991). Swift (1989) citing Burns stated clearly that inadequate financing (resources) is a serious constraint on the firm's growth potential. Much of the focus of the entrepreneurship literature is on the difficulty in obtaining resources, especially financial.

Others claim that access to resources is also important (H. H. Stevenson & Gumpert, 1985). In fact, Bruno & Tyebjee (1982) argue that resource availability and access are main factors for entrepreneurial orientation, especially of high growth potential firms.

The Resource-based theory of entrepreneurship argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth (Alvarez & Busenitz, 2001). This theory stresses the importance of financial, social and human resources (Aldrich, 1999). Thus, access to resources enhances the individual's ability to detect and act upon discovered opportunities (Davidsson & Honig, 2003). Financial, social and human capital represents three classes of theories under the resource – based entrepreneurship theories.

### **3.2.1. Financial Capital/Liquidity Theory**

Empirical research has showed that the foundation of new firms is possible when people have access to financial capital (Blanchflower et al, 2001, Evans & Jovanovic, 1989, and Holtz-Eakin et al, 1994). By implication this theory suggests that when people have financial capital they are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm (Clausen, 2006).

However, other studies are contrary to this theory as it is concluded that many founders didn't need much capital to start new ventures, and that financial capital is not significantly related to the probability of being nascent entrepreneurs (Aldrich, 1999, (Davidsson & Honig, 2003; Hurst & Lusardi, 2004; Kim, Aldrich, & Keister, 2006). This apparent confusion leads to the line of research connected to the theory of liquidity constraints generally aims to resolve whether a founder's access to capital is determined by the amount of capital employed to start a new venture (Clausen, 2006). In his view, this does not necessarily rule out the possibility of starting a firm without much capital. Therefore, founders access to capital is an important predictor of new venture growth but not necessarily important for the founding of a new venture (Hurst & Lusardi, 2004).

This theory argues that entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of new resources for the emerging firm (Alvarez & Busenitz, 2001). Other researches show that some persons are more able to recognize and exploit opportunities than others because they have better access to information and knowledge (Anderson & Miller, 2003; Shane & Venkataraman, 2000).



### **3.2.2. Social Capital or Social Network Theory**

Eckhardt and Shane(2003) says “an individual may have the ability to recognize that a given entrepreneurial opportunity exist, but might lack the social connections to transform the opportunity into a business startup.

It is thought that access to a larger social network might help overcome this problem” (pp.333). In a similar vein, Reynolds(1991)Mentioned that social network in his four stages in the sociological theory. The literature on this theory shows that stronger social ties to resource providers facilitate the acquisition of resources and enhance the probability of opportunity exploitation(Aldrich & Zimmer, 1986)Otherresearchers have suggested that it is important for business founders to have access to entrepreneurs in their social network, as the competence these people have represent a kind of cultural capital that nascent ventures can draw upon in order to detect opportunities (Aldrich & Cliff, 2003; Gartner, Shaver, Carter, & Reynolds, 2004; Kim et al., 2006)

### **3.2.3. Human Capital Entrepreneurship Theory**

Underlying the human capital entrepreneurship theory are two factors, education and experience (Becker, 1975). The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2003; G. Chandler & Hanks, 1998; Gartner et al., 2004; Shane & Venkataraman, 2000).

Empirical studies show that human capital factors are positively related to becoming a nascent entrepreneur (Davidsson & Honig, 2003; Kim et al., 2006; Korunka, Frank, Lueger, & Mugler, 2003), increase opportunity recognition and even entrepreneurial success (Anderson & Miller, 2003; Davidsson & Honig, 2003).

### **3.3. Conceptual Framework**

The conceptual arguments of previous research converge on the idea that firms benefit from highlighting newness, responsiveness, and a degree of boldness. Extensive discussion of the arguments can be found in Lumpkin and Dess (1996). Indeed, these suggestions form the basis for the interest in studying the relationship between EO and performance (Miller, 1983).

In an environment of rapid change and shortened product and business model lifecycles, the future profit streams from existing operations are uncertain and businesses need to constantly seek out new opportunities. Therefore, firms may benefit from adopting an EO. Such firms innovate frequently while taking risks in their product-market strategies (Miller & Friesen, 1982).

Efforts to anticipate demand and aggressively position new product/service offerings often result in strong performance (Ireland, Hitt, & Sirmon, 2003). Thus, conceptual arguments suggest that EO leads to higher performance. However, the magnitude of the relationship seems to vary across studies. While some studies have found that businesses that adopt a strong EO perform much better than firms that do not adopt an EO (Covin & Slevin, 1989; Hult, Snow, & Kandemir, 2003; C. Lee, Lee, & Pennings, 2001; Wiklund & Shepherd, 2003), other studies reported lower correlations between EO and performance (Dimitratos, Lioukas, & Carter, 2004; Lumpkin & Dess, 2001; Zahra, 1991) or were even unable to find a significant

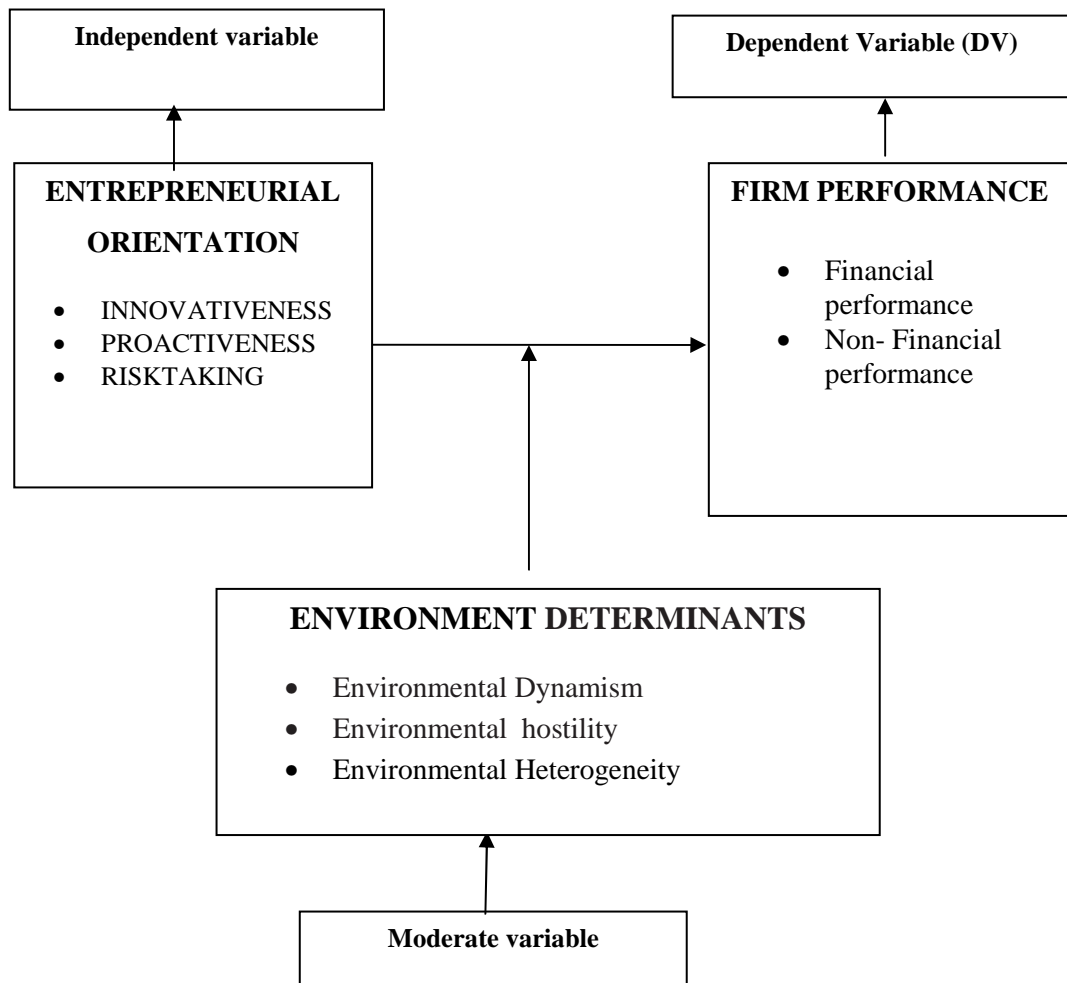
relationship between EO and performance (Covin et al., 1994; George, Wood, & Khan, 2001).

It is acknowledged that the discovery and exploitation of entrepreneurial opportunities results from prior knowledge about markets and customers (Venkataraman, 1997). Moreover, new information about technology, combined with the prior information on markets and external problems, leads to the discovery of entrepreneurial opportunities (Shane & Venkataraman, 2000). Thus, the external environment is always highlighted as a critical contingency or contextual factor in the EO-performance relationship.

As stated by Galbraith (1973), there is no single way to organize, and there is no strategy which can be applied to any organization. A contingency approach stresses that the firm structure or strategy varies depending on its contextual situation (Chandler, 1962; Lawrence & Lorsch, 1967). Hence, the correct alignment between key elements with the organization's context leads to better outcomes (Garengo & Bititci, 2007). In this sense, the relationship between EO and firm performance is often connected by considering environmental variables (Covin & Slevin, 1989; C. Robertson & Chetty, 2000; Tang et al., 2008; Wiklund & Shepherd, 2005)

Several authors stressed the importance of the fit between organization and environment. The importance of proper alignment of the strategy with the environment means that both entrepreneurial and conservative companies must develop characteristics that enable them to cope with their environments (P. Yeoh & Jeong, 1995). In this vein, Yamada and Eshima (2009) argued that the external environment may have a strong impact on small firms' viability and growth.

The figure 3-1 shows the environment in which a firm operates may moderate the relationship between the entrepreneurial and firm performance.



The integrative model presented in Figure 3.1 consists of the following:

### 1. Independent Variables

The independent variables that serves as the “heart” of the interactions in the models in this dissertation is Entrepreneurial orientation which categorized under Innovation, pro-activeness, Risk taking.

### 2. Dependent Variables

The dependent variables used the study was firm performance measured namely: Financial performance such profitability and liquidity indicators and Non-financial measurement such as new product development, customer satisfaction, market share and budget goal achievement).

### **3. Moderating Variable**

Environmental determinants is third variable which modifies the original relationship between the entrepreneurial orientation (IV) and firm performance (DV), the literature proposed three environmental factors that could affect the relationship between IV and DV which are Environmental dynamism, Environmental hostility and Environmental Heterogeneity but the researcher added new variable socio-cultural factors which modifies the female entrepreneurial orientation and their performance.

The following section discusses the hypotheses development with theoretical justifications.

### **3.4. Developing Research Hypothesis**

In this study, six main hypotheses were developed to test the relationship between Entrepreneurship orientation and firm performance owned by Somali women in section one, the impact on environmental Determinants on Entrepreneurial orientation with three hypothesis proposed in section two, three hypothesis was developed to test the relationship and impact of environmental Determinants on firm performance in section three. Furthermore, the three hypothesis of moderating effect of Environmental factors on the relationship between entrepreneurship orientation and firm performance were also projected.

### ***3.4.1. Entrepreneurial orientation and firm performance***

Entrepreneurial orientation has been considered as one of the characteristics of entrepreneurial firms. Miller (1983) mentioned “an entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch”. Descendant studies in the 1990’s have come to call the combination of these dimensions to entrepreneurial orientation.

Lumpkin and Dess(1996)defined as entrepreneurial orientation as process, practice and decision making activity that lead to new entry. Also, Zahra and Covin (1995)defined entrepreneurial orientation as potential means of refreshing and stimulating existing company, this is done through means of innovation , risk taking and pro activeness in competitive environment.

Previous studies regarded entrepreneurial orientation as vital component of firm’s performance, although most researchers found uniform findings then different conclusions and implications are reached because performance is result of inter related variables as well as large number of mediation variables are on hand.

Entrepreneur orientation have multitude dimension and each one of them has found to have association with firms performance, so linkage is different in consideration of several factors (Miller, 1983).

It is worth noting that entrepreneurial orientation ranged from conservative entrepreneurial firms that represent basic strategic position. Entrepreneurial orientation is combination of three dimensions as explains the sub model of following figure 3-2:

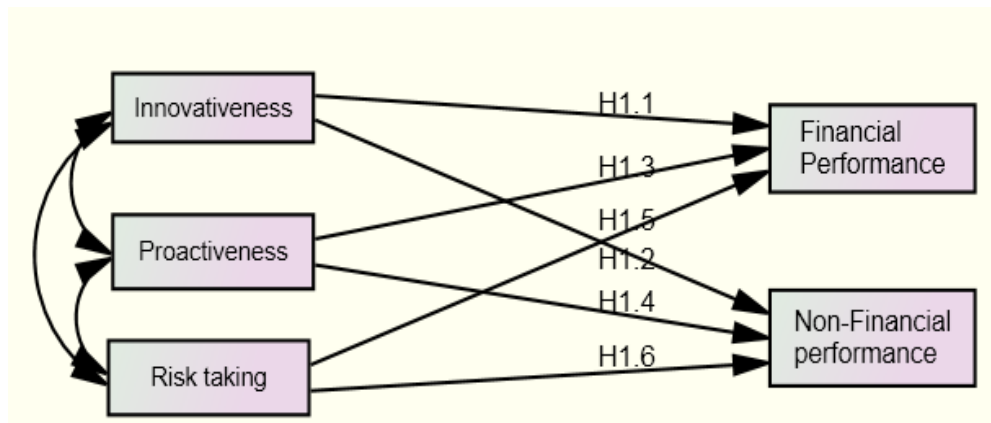


Figure 3-2: Entrepreneurial orientation and firm performance

Key dimensions of entrepreneurial orientation include ability to become proactive in market place opportunities, willing to take risk and to be innovative. Each of these dimensions is discussed in the following paragraphs.

The first dimension of entrepreneurial orientation is innovativeness. The term innovation comes from the Latin word “innovare”, meaning, “to make something new” (Tidd, Bessant & Pavitt, 2001). Indeed, the idea of newness is included in some form in all definitions of innovation (Dharmadasa, 2009). Innovation can be seen the world’s major area of competitive advantage to many companies of the same industry in the world. It is important to note that, the word innovation has different meanings.

Dibrell, Davis, and Craig (2008) underlined that innovations vary in complexity and can range from minor changes to existing products, processes, or services to breakthrough products, and to processes or services that introduce first-time features or exceptional performance.

According to Drucker(2002), innovation is a specific function of entrepreneurship, the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth. Though different scholars have put forward different definitions about the term innovation, they all remain unison that it is about the inception of new thing and idea.

However researchers that believe innovativeness is character of entrepreneur deemphasize role of R&D in the innovation rationality is that, when entrepreneur has inborn ability to change its product to gain market entry then it's not necessary to incur large R&D expenditure that may offset any realized financial gain in long run, so R&D should be balanced in wise of cost and benefits equilibrium.

Innovation can't be considered in isolation, innovation is influenced by firms resource whether it's financial or none financial resource, number of studies highlighted that firms that are financial constrained encounter difficulties in pursuing innovation (Hafeezet al., 2012).

Firms that embrace and manage innovation in an effective manner have superb performance than those have less innovative entrepreneur(Hafeez, 2012).However innovation is more or less correlated to firm performance.

The second dimension of entrepreneurial orientation isPro-activeness and is defined as trait of entrepreneur to anticipate future business event around the product and technology as well market and consumer demand (Schillo, 2011).It's all about entrepreneur's projections in future to exploit market opportunity and avoid threats. Pro activeness is one way that organization can become market leaders rather than flowers. Earlier economists centered pro- activeness to their view of entrepreneur,



they considered entrepreneur to someone who identifies market opportunities and pro-actively exploit these opportunities (Lumpkin & Dess, 1996).

According to Venkatraman(1989), pro-activeness is core ingredient of entrepreneur ship; he stated that pro-activeness is seeking new opportunities that are not restrained to current operation, so entrepreneurs are required to keep their eyes in horizon and to take benefits of upcoming opportunities along with affectively competitions in current market.

Firm can become pro-active by: shaping the environment, introducing new product brands and process, as well as shortening product life cycle by eliminating declining stage products, penetrating flourishing markets and utilizing existing opportunities (Coulthard, 2007).

Although previous studies demonstrated that pro-activeness is ability to pursue opportunities identified in the market, pro-activeness is not meant by being first in market or undertaking green field investment. It is s all about being attentive to the emerging opportunity in market place (Venkatraman, 1989).

Pro-activeness involves taking responsibility and doing whatever it takes to ensure an entrepreneurial venture produces successful outcome and it also involves insistence, flexibility and readiness to assume responsibility for failure(Morris, 1998).

The relationship between organizational performance and Pro-activeness among firms at early growth stages revealed a positive effect on business performance (Hughes et al., 2007)and this highest relationship between Pro-activeness and firm performance was observed when compared with other EO dimensions (Hughes et al., 2007; Kreiser et al., 2002).

An investigating on Pro-activeness and firm performance in South Africa revealed that there is a positive significance relationship between Pro-Activeness and business success (Krauss et al., 2005). The third dimension of entrepreneurial orientation is Risk taking and has long been associated with entrepreneurship. According to Coulthard(2007), risk taking is management decision to take large ventures at foremost, risk taking has been major character of effective entrepreneurs and managers, there is no single person who desires to experience hazardous business event, but real entrepreneurs and experienced managers are able to tackle intimidations in competitive environment and make decision considered a risky but business opportunity in their view.

Entrepreneurs are naturally risk taking individuals according to their decisions to work themselves rather being employed; this also applies to companies and large firms that commit project that cost amount of resource with indefinite results (Madhouse et al., 2011).

Some studies have been argued that increased risk taking behavior beyond a particular level may be detrimental to firm performance(Miller & Friesen, 1982), while others suggest that contingent rather than direct relationships are likely to lead to a more accurate explanation of performance (Lyon et al., 2000).

Even though the relationship between risk taking and firm performance is not as obvious as the previous ones, research suggest that when looking in the long run variations in the projects' performance the relationship can go in the favour of a positive link between these two concepts (March, 1991; McGrath, 2001).

On the conceptual level, it is possible to make a distinction between the growth and profitability indicators, since the company can invest into long-term growth at the expense of short-term profitability (Combs, Liu, Hall, & Ketchen,

2006). Conceptual arguments concerning the entrepreneurial orientation and business performance relationship generally focus on financial indicators because firms characterized with higher level of entrepreneurial orientation may enter into premium market segments, may charge higher prices and may skim the market before their competitors do, which enables them greater profits and faster expansion(S. Zahra & Covin, 1995).

On the other hand, the relationship between non-financial indicators and entrepreneurial orientation is not as direct as is the case of financial indicators. For this reason, it could be conclude that the relationship between financial indicators and entrepreneurial orientation should be stronger than the one concerning non-financial indicators(Wiklund & Shepherd, 2005). Therefore, this research gives a clearer insight into this relation. Based on the discussion and conceptual model in figure 3-2 above, the following hypotheses were presented:

**H1: Entrepreneurial orientation has positive influence on firm performance**

**H1.1:** Innovativeness has positive effect on firm financial performance.

**H1.2:** Innovativeness has positive effect on firm Non-financial performance.

**H1.3:** Pro-activeness has positive effect on firm financial performance.

**H1.4:** Pro-activeness has positive effect on firm Non-financial performance.

**H1.5:** Risk taking has significance a positive effect on firm financial performance.

**H1.6:** Risk taking has significance a positive effect on firm Non-financial performance.

### ***3.4.2. Environment Determinants and Entrepreneurial Orientation***

Modern entrepreneurs faced with a growing dynamism, complexity and unpredictability of the external environment in which technology, globalization, lack of resources, frequent conjuncture fluctuations, changes in social values, competition, customers, suppliers and many other dynamic forces affect the overall business performance (Asch & Salaman, 2002; Ward & Lewandowska, 2005). The intensity and the complexity of current changes in the external environment forces companies, small and large, to actively search for new business opportunities all with the aim to create new value added (Stopford, 2001). Thus, the external environment can be defined as a set of elements that exist outside the organization but have a potential effect on some parts of the organization or on the organization as a whole (Daft, 2008; Dess et al., 1997).

External environment can be defined in a numerous ways, but most scholars define external environment using following aspects: turbulence (Khandwalla, 1977b; Naman & Slevin, 1993); rivalry and dynamism (Miller, 1983; Yeoh, 1994); volatility (McKee et al., 1989); munificence (Dess & Beard, 1984; Rasheed & Prescott, 1992); and complexity (Aldrich and Wiedenmayer, 1993). Turbulent environment as a concept combines unpredictability, expansion and fluctuations in the environment (Khandwalla, 1977a).

Level of turbulence can be described as the rate of changes in the environment, and on the other hand, as the unpredictability of these changes (Dess & Beard, 1984). Environmental hostility is sometimes referred to as high velocity environment, which is characterized by the intense price, product and technology competition, lack of resources (eg. lack of raw materials, human resources, etc.), serious regulatory restrictions, the relative lack of exploitable opportunities, and

negative demographic trends (Hall, 1980; Miller & Friesen, 1983). A typical characteristic of the hostile environment is fast formation of market changes which results with difficulty in obtaining accurate and reliable information (L. J. Bourgeois & Eisenhardt, 1988).

Dynamism represents the perceived instability and the continuity of changes in the firm's environment. It can be expressed as a extent of change predictability in the environment, as the level of uncertainty in the environment, and can be manifested as the variance in the rate of market and industry change(Boyd et al., 1993; Dess & Beard, 1984)

Dynamic environments are similar, but not the same as high velocity markets that can characterized by the fast-paced changes in demand, technology and competition which can lead to instability, turbulence and unpredictability(Judge & Miller, 1991).

Impact of external environment on entrepreneurial orientation has been observed by many scholars where was concluded that external environment is an important determinant of entrepreneurial orientation on both individual and organizational level(Dess et al., 1997; S. A. Zahra & Covin, 1993).Therefore, the below conceptual framework hypothesizes three environmental determinants with relation to entrepreneurial orientation in figure 3-3.

In today's uncertain and turbulent environment companies are forced to behave in an entrepreneurial way trying to survive in the market. Never more rapid changes in technology and shorter product cycles are forcing companies to be innovative in order to develop new ideas, products and processes, and to more willingly take calculated risks in order to cope with market changes. Moreover,

increasing competition, both domestic and foreign emphasizes the need for a more proactive market approach.

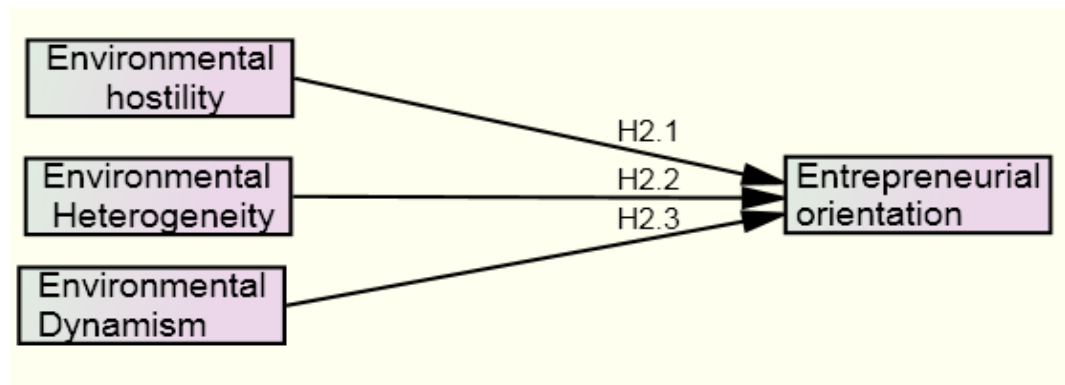


Figure 3-3: Environmental determinants entrepreneurial orientation

Zahra(1991)said that “heterogeneity indicates the existence of multiple segments and diversity of customers' needs and expectations in those different segments” .Heterogeneous markets creates more opportunities because “developments in one market create new pockets of demand for an enterprise products in related areas" (Zahra, 1991).

According to Saly(2001), “Market heterogeneity may produce opportunities, where developments in one market segment create demand for a product in other unrelated segments”. Heterogeneous markets boost up entrepreneurial orientation as “new innovations are introduced to satisfy diverse needs” (Zahra, 1991).

Research conducted by different researchers, a positive relationship between environmental heterogeneity and entrepreneurial orientation has been determined(Miller, 1983; Wiklund, 1998; Zahra, 1991).

Environmental heterogeneity is “the degree to which the environment is highly segmented or differentiated” (Sheth, 1985; Aldrich et al.,1976).Like dynamism, the heterogeneity of the environment can greatly influence the entrepreneurial orientation. Entrepreneur's (Owner/CEO) with in environmental

heterogeneity increases his probability to operate enterprise with higher entrepreneurial orientation than in homogeneous environment .Hence environmental heterogeneity explains considerable effect on the entrepreneurial orientation. However, that dynamic environments become rich source of ideas for the appearance of new opportunities; “changes in the external markets create new windows of opportunity”.

According to Drucker(1985) “changes in the social, political, technological, and economic environment”also creates new opportunities and “innovative strategies are often response to environmental dynamics”(Stevenson & Gumpert, 1985).

In order to remain competitive, Enterprises which are functioning in dynamic environment have to compete with rapid changes in technology, customer needs and preferences, as well as competitive actions. In order to increase sales turnover or to satisfy customer, they have to adopt innovative and creative solutions to problems.

According to Miller (1983), Zahra (1991) and Wiklund (1998) “there is a positive relationship between environmental dynamism and entrepreneurial orientation”. Entrepreneurs with in environmental dynamism are more likely to run their enterprise with higher entrepreneurial orientation than in lethargy/stagnant environment. Hence Environmental dynamism determines significant variation in the entrepreneurial orientation.

Thus, the following hypotheses were put forward:

**H2:Environmental Determinants have positive influence on entrepreneurial orientation.**

H2.1: Environmental hostility (EH) has a positive effect on entrepreneurial orientation.

H2.2: Environmental Heterogeneity has a positive effect on entrepreneurial orientation.

H2.3: Dynamism has a positive effect on entrepreneurial orientation.

### **3.4.3. Environmental Determinants and Firm Performance**

Business environment faced rapid transformations had positive and negative effects on the business organizations according to their responsiveness, adaptation and competitiveness capabilities. Through this situation, organizations need to strategic management approach based on managerial philosophies and non-traditional strategies to address environmental dynamism aiming to achieve superior performance via more interest in external environment variables to bring added value for customer, high uniqueness. The following model (figure 3-4) describes the relationship between environmental determinants and firm performance.

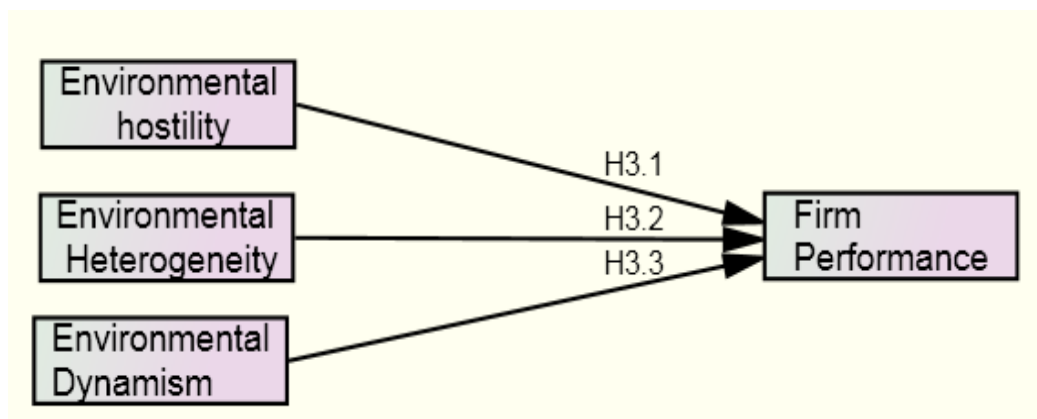


Figure 3-4: Environmental determinants and firm performance

Environmental dynamism represents the rate of change in an environment. For example, Wijbenga and van Witteloostuijn (2007) defined environmental dynamism as the rate at which the preferences of consumers and the services of organizations change over time (Akgün, Keskin, & Byrne, 2008) linking environmental dynamism directly with



performance. Verdú-Jover, Lloréns-Montes, and García-Morales (2006) has also been suggested that the resource and capability theory, and competitiveness literatures stressed that perception the external business environment opportunities.

Hostility is an unfavourable environmental condition that implies competition for scarce resources and opportunities (Covin & Slevin, 1989; Miller & Friesen, 1983). Hostility can be considered as being the opposite pole to concentration. Concentration has been in the focus of Industrial Economics scholars as a key dimension of corporate performance (Bain, 1951; Datta & Narayanan, 1989).

From a conceptual point of view, hostility is more comprehensive than the pure concentration measure. It can occur in terms of price and non-price competition (Grant, 1996). Firms operating in hostile environments are facing a number of constraints regarding their strategic options. For example, profit prospects of innovation strategies are limited in industries with intense price competition (Zahra & Bogner, 2000). Furthermore, these firms are confronted with difficulties in acquiring resources. Access to financial capital and other resources, such as human capital, is easier in less hostile environments. Thus, hostility reduces opportunities, decreases profit margins and limits maneuverability (Miller & Friesen, 1983). Thus, these hypotheses were postulated:

**H3: Environmental Determinants have positive influence on firm performance**

**H3.1:** Environmental hostility has significant positive effect on firm performance.

**H3.2:** Environmental heterogeneity has significant positive effect on firm performance.

**H3.3:** Environmental dynamism has significant positive effect on firm performance.

### 3.4.4. *The effect of environmental determinants as moderators*

Many scholars agree that external environment plays an important role in the management discipline (Bourgeois, 1980; Galbraith & Schendel, 1983; Goll & Rasheed, 2005), and that there is empirical evidence that external environment represents a moderating role for the wide spectrum of business strategies (Foxall & Greenley, 1999).

Moreover, various studies have investigated the moderating role of external environment on the relationship between entrepreneurial orientation and business performance (Golder & Tellis, 1993; Zahra & Covin, 1993).

External environment is a significant determinant of entrepreneurial orientation on both individual and organizational level (Dess et al., 1997; Zahra & Covin, 1995). The following is sub-model of moderation effect in figure 3-5.

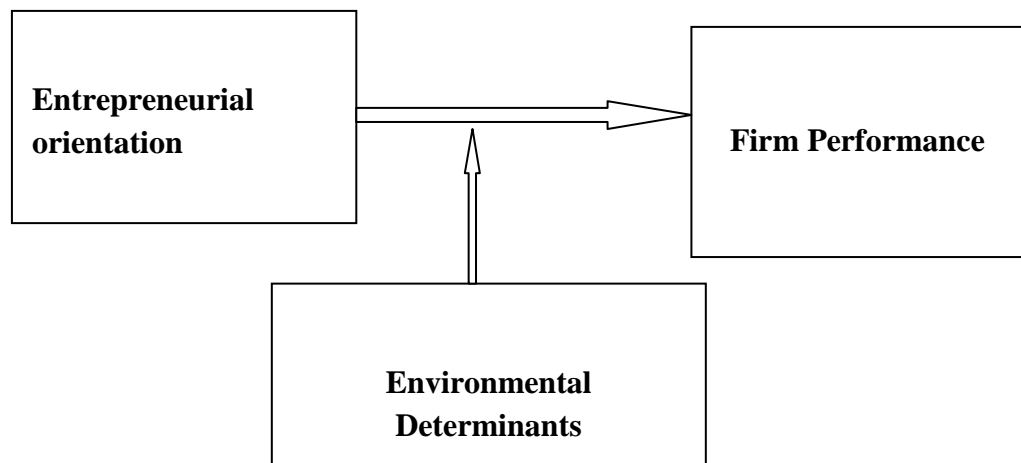


Figure 3-5: Moderating effect of environmental determinants between EO and firm performance

Uncertainty in the environment affects the structure and the strategy of the organization since it represents the absence of information regarding the company and its activities (Rhyne, 1986). Companies are more prone to proactive action and implementation of aggressive strategies as the level of uncertainty and insecurity increases(Li, Zhao, Tan, & Liu, 2008; Miller & Friesen, 1983).Yeoh and Jeong(1995)found that environments characterized by high levels of uncertainty lead to higher levels of innovation and risk taking, i.e. lead to the adoption of entrepreneurial orientation.

High levels of turbulence in the external environment generate risk and uncertainty in the strategic planning process which results in high levels of environmental scanning and pro-activeness(Calantone, Garcia, & Dröge, 2003). Since the source of achieving and maintaining a sustainable competitive advantage lies in the firm's ability to adapt to the changes in the environment it can be concluded that entrepreneurial orientation represents the key to this process.

Dynamic environment plays a moderating role on the relationships between various organizational variables and business performance(Zahra, 1993). Andersen(2004) found out that the relationship between decision making process and business performance is moderated by a dynamic environment. Hence, a strong argument for entrepreneurial orientation acceptance exists when the company operates in a dynamic environment.

Based on the discussion and conceptual model in figure 3-5 above:

**H4: Environmental determinants moderate positively the relationship between EO and Firm performance**

**H4.1:** There is positive moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance.

**H4.2:** There is positive moderating effect of environmental hostility on the relationship between entrepreneurial orientation and firm performance.

**H4.3:** There is positive moderating effect of environmental heterogeneity on the relationship between entrepreneurial orientation and firm performance.

### **3.5. Research Methodology**

This part of the chapter three focuses on the method that the researcher used to collect data and analyze it. It greatly concerns the research design, target population, description of the sample size and sampling Procedures, research instrument and its validity and reliability, description of the data collection procedures, description of data analysis and ethical considerations.

#### **3.5.1. Research Design**

The researcher design constitutes a logical sequence that connects the empirical data to a study's initial research questions and ultimately to its conclusion (Yin, 1994). The study applied to descriptive and explanatory research design this was because the variables under study were measured as they naturally occurred and were not manipulated or controlled.

According to Cooper and Schindler(2000) if the research was concerned with finding out what, when and how much phenomenon, descriptive research design was found to be appropriate.

The descriptive research design was considered appropriate for this study as it allowed description of a phenomena as well as collection of a large amount of data from a sizable population in a highly economical way. Similarly, it also made it possible to collect quantitative data which was analyzed using descriptive and inferential statistics. In addition the data collected using a descriptive survey design is used to suggest possible reasons for particular relationships. Further description in management and business research has a very clear place(Robson, 2002; M. Saunders, Lewis, & Thornhill, 2007).

Descriptive studies attempt to obtain a complete and accurate description of situation persons of events. For a descriptive design to appropriate for a particular study it requires extensive previous knowledge of the situation being researched on so that the researcher knows the appropriate aspect on which together the required information.

In general a description design is commonly is used to achieve following research objectives: description of phenomena or characteristics associated with a subject population, estimates for proportions of the populations that have these characteristics and, discovery of associations among different variables, however, descriptive data do not show direct cause and effect relationships among variables(Robson, 2002).

Furthermore; The current study establish causal relationship between variables so researcher attempted explanatory research design to emphasis on studying a situation or a problem in order to explain the relationships between entrepreneurial orientation and performance of women entrepreneurs in Somalia as well as environmental determinants ad moderating variable.

A cross-sectional description survey research design was adopted for the purpose of this study across-sectional study involves making observation of sample or entire population of the study or phenomena at one point in time (Babbie, 2013). The researcher purpose is to describe and explain events as they are, as they were or as they will be. According to Saunders et al.(2007), “using a survey strategy should give you more control over the research process.

Cross-sectional is cost and time effective because data can be gathered just once perhaps over a period of days or weeks or months, in order to answer research questions (Sekarana, 2003).

Cross-sectional survey design employed to assess the moderating effect of environmental Determinants on the relationship between entrepreneurial orientation and firm performance among women entrepreneurs in Somalia. The reason for using this design is that it enables to describe the different dimensions of entrepreneurial orientation that affect the performance of women entrepreneurs in MSEs as they exist.

### ***3.5.2. Research Population***

The study conducted Women entrepreneurs In Somalia; four region participated the study, first region is Banadir region where the capital city of Mogadishu locates in Mogadishu, Mogadishu is the largest Region in Somalia and is selected majority of the respondents from it considering appropriate for providing a focal point for the study of the EO and performance of Somali women entrepreneurs: moderating effect of environmental factors. Second region is Puntland was previously known as the north-eastern region of Somalia.

In 1998, it adopted the name Puntland and established its own regional administration. Puntland supports a unified Somalia. The third region participated the survey is Somaliland is located in the north-west region of Somalia. It declared its independence in 1991 but has not received international recognition. Somaliland has its own government and the fourth region is south central Somalia, researcher selected four regional capital cities such as Marko in Lower Shabelle, Kismayo in Juba administration, Baidawa in Bay Region and Baldwyn in Hiiran region.

The estimated populations were 3296 women entrepreneurship, who involves Micro and Small enterprises registered in Somali women entrepreneur association (MaryanAbsiyee, February, 2013). Majority of them are Betty trade, service industry and few of them are running manufacturing and agriculture enterprises, this is the

distribution of the population of only registered women entrepreneurs in country, Banadir region is the most organized and registered number of women entrepreneurs located, and its where the capital city located Mogadishu the number was 2489 registered member, Puntland-194 Somaliland-430 and South-central regions was 183 members.

The researcher failed to obtain the addresses of the women registered in Somali women entrepreneur associations; the management of association denied to give some information for privacy and security issue and this is polite rejection mostly used in civil organization in Somalia, but the researcher used the number obtained to formulate sample size and use purposive sampling rather than systematic or simple random sampling procedure.

### **3.5.3. Sample Size**

According to Israel(1992), there are several techniques for determining the actual sample size. However, this study follows the formula technique, which calculates the desired sample size. Yamani (1967, cited in Israel, 1992) provided a useful formula to calculate the sample size, considering the level of error tolerated.

$$(1) \quad n = \frac{N}{1 + N(e)^2} =$$

$$(2) \quad \frac{3296}{1 + 3296(.05)^2} = 357, \text{ round to } 360$$

The n is sample size, N is the population size, and e is the level of precision. Based on the above formula, the sample size for the current is 360 after rounding. After determining the actual sample size, several calculations were conducted in order to obtain the sub-sample for the four zones. Since the entrepreneurs in each



zone is not equal in numbers to other zones, this study follows proportionate stratified random sampling, where each zone is represented according to its proportion in the population. For instance, the sub-population for Banadir zone is 2489 women entrepreneurs. The following table (3-1) provides the calculation of sub sample for each zone.

Table 3-1: Sample size calculations

<b>Region/Zone</b>	<b>Total</b>	<b>%</b>	<b>Sample size</b>
Banadir	2489	75%	270 respondents
Puntland	194	6%	22 respondents
Somaliland	430	13%	46 respondents
South-central	183	6%	22 respondents
<b>Total</b>	<b>3296</b>	<b>100%</b>	<b>360</b>

Source (Researcher, 2013)

#### **3.5.4. Sampling Procedure**

Sampling techniques provide a range of methods that enable the researcher to reduce the amount of data he needs to collect by considering only data from a sub-group rather than all possible cases or elements. The full set of cases from which a sample is taken is called the population. In sampling, the term ‘population’ is not used in its normal sense, as the full set of cases need not necessarily be people. Collecting data from a sample, which represents the entire population, would provide results that are more useful (Mark Saunders, Lewis, & Thornhill, 2009).

The study were used both probability and non-probability sampling techniques to create a sampling frame. In probability sampling use stratified sampling to ensure that different regions of country would be included in the survey. Once strata are identified then use non probability sampling to carry out the real study.

Non-probability sampling (or non-random sampling) provides a range of alternative techniques to select samples based on your subjective judgment (Mark Saunders et al., 2009). The researcher used judgmental sampling techniques of non-probability sampling because the researcher cannot obtain the list of addresses of women entrepreneurs from Somali women entrepreneur association, the only place where we found registered member in whole country. Therefore, data was collect from those people who were conveniently available and willing to co-operate. Purposive sampling was also convenient because the sample selected was small and the ideas of the population ware needed in a shorter period.

### ***3.5.5. Development of Questionnaire***

In this study, questionnaires function as a preliminary data collection technique providing empirical analysis in this study. The researcher collected primary data using questionnaires. A Questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives.

Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variable of interest (Sekaran, 2003). Saunders et al.(2007) affirmed using questionnaire is popular when collecting primary data. The selection of this instrument is guided by the time available to conduct this research, research questions and objectives of this study.

A self-report type questionnaire (Appendix 1) was designed and organized into four sections one was demographic and business profile, this was section was divided into three sub section which were demographic questions (9 questions), business profile (9 questions), process and constraints (5 items), section two was entrepreneurial orientation (9 items), section three was environmental determinants

(12 items), section four were firm financial performance (11 items) and Non-financial measurement (4 items).

All questions were easy to answer, requiring a simple circling of a number, either on a scale or among few categories. The questionnaire was printed on both sides of A4 paper.

The questionnaire was developed in English; however the sample included a large number of Somali speaking key informants. Therefore an equivalent Somali language version of the questionnaire was required.

Professional English - Somali translator translated all scales into Somali language, then, a Somali market and business researcher expert executive subsequently back-translated this draft into English. Only insignificant changes were required as the back-translated questionnaire was very similar to the original English version, ensuring measurement equivalence of the instrument.

EO and Environmental determinants measurement scales identified in the survey have been used extensively in the entrepreneurship and strategic management literature and have generally met standard criteria for reliability and validity (Covin & Slevin, 1989; Zahra, 1991).

Pre-testing refers to the testing of the questionnaire on a small sample of respondents in order to identify and eliminate potential problems (Malhotra, 1999). Objectives of the pretest were to evaluate question content, wording, sequence, form, and layout, question difficulty, and instructions.

The main survey instrument was pre-tested in three stages. In stage one; both a professor of research methodology and a financial management lecturer (both in SIMAD) evaluated the questionnaire. Neither individual found problem associated

with item content and item sequence. However, both individuals suggested several small changes to questionnaire instructions and the overall layout.

In stage two, the questionnaire was tested on seven Female part-time students at SIMAD University who were selected on the basis that they were engaged businesses and they could answer to questions being asked.

The questionnaire was completed in an interview environment so that each respondent was observed for reactions and attitudes. These seven individuals also were asked to consider whether items covered the scope of the construct. Finally, each individual was asked for feedback about perceived length of the questionnaire, the time required to complete the questionnaire, as well as appearance and layout of the questionnaire.

This feedback led to major changes, specifically in relation to financial measurement which was objective, they all agreed difficult to respond sales revenue, profitability of their business and other financial measurement which led the researcher to develop new measurement of financial and non-financial indicators using subjective question either asking satisfaction or rank to close competitor; after two weeks long, researcher provided new firm performance construct and same students agreed positively to new look.

In the third and final pretest stage, the questionnaire was administered to twenty women owned business in Hamarweyne Market and area of KM4 randomly drawn from our sample. Frequency and descriptive analyses indicated that all measures had reasonable ranges and variances.

There was no evidence of item non-response and items that were reversing coded had not been misinterpreted by respondents. Finally, each pretest respondent

was contacted to identify whether there were any specific questions that posed difficulty.

No further changes were required and we were satisfied that the final survey instrument is simple but long as mentioned the respondents, well presented, and should produce data that accurately reflects the constructs being measured. Note also that all measures included in the final questionnaire were subjected to scale validation and reliability analyses prior to hypotheses testing. Details of the scale validation process with the final data are provided in Chapter four, Data analysis and Results.

### ***3.5.6. Measurement of Variables***

#### **3.5.6.1. Entrepreneurial orientation (IV)**

Entrepreneurial orientation – to measure dimensions of entrepreneurial orientation, we employed the nine-item five point interval scale type scale ranging from strong agreement with the question to strong disagreement ‘Entrepreneurial Orientation’ scale developed by (Covin & Slevin, 1989), this scale is widely used to test entrepreneurial orientation of the firm.

According to Kreiser et al. (2002) the scale is the most commonly utilized instrument in Operationalizing EO. This scale is intended to assess three components of firm-level entrepreneurial orientation – innovativeness, risk-taking and pro-activeness.

Previous studies have reported evidence of reliability and validity for the EO scale (Kreiser et al., 2002; Naman & Slevin, 1993). In the present study, the Cronbach’s coefficient alpha value for the overall scale was 0.825.

### **3.5.6.2. Firm performance (DV)**

Firm performance is the dependent variable of this study and it is defined as the result of business process, practice and activities, this construct developed by researcher is based on two financial measurements, profitability with five items, and liquidity with 6 items while non-financial measurements was used for six subjective questions measuring budget goal achievement, new product development, customer satisfaction and market share using Five point likert scales, For the following criteria and on a scale from 1 (top 20%) to 5 (lowest 20%), how would you rank your company relative to your closest competitors in your industry for the last three years? , the construct was validate using factor analysis, the Cronbach's coefficient alpha value for the overall scale was 0.890.

### **3.5.6.3. Environmental Determinants (MV)**

**1. Environmental Hostility (EH):** A hostile environment creates threats to a firm's mission, through increasing rivalry in the industry or depressing demand for a firm's products (or services), thereby threatening the very survival of the firm. EH was measured using six items; five point scales ranging from strong agreement with the question to strongdisagreement, this measurement was first proposed by(Miller & Friesen, 1982; Zahra, 1991).

**2: Environmental Dynamism (ED):** refers to the perceived insatiability of a firm's market because of continuing changes. Opportunities emerge from the dynamism of an industry where social, political, technological, and economic changes bring about new developments that can enrich a firm's niche. ED was measured by 3 items on five point scales ranging from strong agreement with the question to strongdisagreement(Miller & Friesen, 1982; Zahra, 1991).

4. **Environmental Heterogeneity (EHE):** Opportunities also emerge from the heterogeneity of the environment, where developments in one market create new pockets of demand for a firm's products in related areas. Heterogeneity indicates the existence of multiple segments, with varied characteristics and needs that are being served by the firm; **EHE** was measured by 3 items on five point scales ranging from strong agreement with the question to strong disagreement (Zahra, 1991).

### ***3.5.7. Data Analysis Techniques***

The survey strategy allows collecting quantitative data; therefore, the researcher exercised quantitative techniques to analyze and interpret the data. Quantitative is used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Saunders et al., 2009). The researcher used a single data collection technique (questionnaire) and corresponding analysis procedures to answer the research questions.

After the field exercise of collecting data, the process of analyzing was started. The data analysis was done by first cross-examining if the responses are rightly filled in and then coding was done according to the objectives of the study. To analyze the data and test the hypotheses, several statistical tools were employed. Statistical Package for Social Science (SPSS) Version 16 was used with the following techniques:

Factor analysis (Principal component) used to validate and ensure the goodness of measures using the following criteria:

- a) Factor loading should be greater than 0.40.
- b) Any item cross loaded with two factor should be dropped
- c) If the percentage of variance explained is more than 50%, it is very good and acceptable. Although some scholars say more than 40%.
- d) Eigen values for each factor should be greater than 1

2. Cronbach's alpha for Reliability to measure the internal consistency of the main variables of the study, the criteria of Cronbach's alpha was 0.7 and some literature says more than 0.6 is internally consistent.

3. Descriptive statistics was used to describe the respondent's characteristics and to investigate the central tendency of population surveyed.

4. Pearson correlation was used to see the degree of correlation between the main variables.

5. Multiple Liner Regression was used to test the research hypothesis.

6. Hierarchal Regression was used to test the moderating effect. The interpretations of the mean values are shown in a table 3-2.

Table 3-2: The interpretations of the mean values

No	Mean Range	Interpretation
1	1.00 up to 1.80	Strongly Disagree
2	1.80 up to 2.60	Disagree
3	2.60 up to 3.40	Neither
4	3.40 up to 4.20	Agree
5	4.20 up to 5.00	Strongly Agree

Source (researcher, 2013)



Table 3-3: The meaning of the values of correlation coefficient

No	Coefficient correlation	Meaning
1	-1	Perfect negative
2	-0.7 up to -1	Strong negative
3	-0.5 up to -0.7	Moderate negative
3	-0.3 up to 0.5	Weak negative
4	0	Perfect independency
5	0.3 up to 0.5	Weak positive
6	0.5 up to 0.7	Moderate positive
7	0.7 up to 1	Strong positive
8	1	Perfect positive

Source (researcher, 2013)

### 3.5.8. *Validity and Reliability of Instrument*

Validity in relation to questionnaires refers to the ability of a questionnaire to measure what a researcher intends it to measure (Saunders et al., 2009).

Validity means the ability to produce finding that are in agreement with conceptual or theoretical values. Validity is the success of the scale in measuring what is meant to be measured (Ram, 2009). The researcher made content validity index to assure the valid of the questionnaire and also was consulted with Somali women organizations and experts of Somali business to check and review the questionnaire, therefore no bias will make the result valid. A great effort and skills was exercised by the researcher in the collection and analysis in order to reduce mistakes so this will increase the reliability of the results.

Reliability refers to ability of an instrument to produce consistent or same results. Reliability is a degree to which measures are free from error so that they give same results when repeat measurements are made under constant conditions (Ram, 2009). To insure reliability of the instrument the researcher made pre-test to checkup that the research instrument will give the same result.

### **3.5.9. *Ethical consideration***

The researcher considered the ethical issues throughout research project, and also maintains the privacy and confidentiality of the respondents from the public. The secret information was kept on confidential, and used for academic purpose. Secrecy and confidentiality of the secret information have main concern; in addition to that the researcher admires to keep individual self-respect.

### **3.5.10. *Chapter Summery***

This study investigates the entrepreneurial orientation and firm performance: moderating effect of environmental determinants. The current chapters was addressed the methodology of the study and conceptual framework of the study, the study was conducted through survey research design, the study was carried out by taking a sample of 314 respondents, and quantitative data was collected through questionnaire and was analyzed using SPSS ver.16.

# CHAPTER FOUR

## DATA ANALYSIS AND RESULTS

### 4.1. Introduction

The previous chapter detailed the research methodology adopted to test the proposed theoretical model, and to answer the research questions of the study. The purpose of this chapter is to presents the findings of the data analysis and it is presented in three sections. The first section presents the normality test, response rate, demographic information. The second section discusses the reliability, and validity measures of the data, followed by descriptive analysis of main variables in section three, the fourth focuses on detailed discussion about the hypotheses tested using different statistical techniques such as one sample t-test, Bivariate correlation, and multiple regression analysis.

### 4.2. Normality of Data

Normality test is important when conducting a research as it can affect the results and make bias conclusion. Before conducting further analysis for the main variables in this study such Entrepreneurial orientation, firm performance and the environmental factors dimensions of environmental hostility and environmental dynamism, the researcher conducted a normality test for the multivariate items. Several techniques were employed for testing the normality including sample, Histogram, Scatter Plot Skewness and Kurtosis. Table 5.1 provides the normality test for main variables in this study using Skewness and Kurtosis.

In terms of the first technique, the sample size of this study is more than three hundred respondents. Therefore, with the large sample size the data is more likely to be normally distributed. By looking at the frequencies, the scores for Skewness and Kurtosis were below the suggested cut-score of 2 and 10 respectively. Moreover, Histogram was also conducted to test the normality. As shown in figures 4-1-3 in the below, histogram suggested that the data is normally distributed. As such, a further analysis can be run using parametric tests.

Table 4-1: Normality test for all main variables

Variables	N	Minimum	Maximum	Mean	SD	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	SE	Statistic	SE
Entrepreneurial orientation	314	1	5	3.09	.870	-.275	.138	-.507	.274
Firm performance	314	1	5	3.52	.728	-.715	.138	.302	.274
Environmental Factors	314	1	5	3.3222	.77058	-.385	.138	-.361	.274
Valid N (listwise)	2014								

Source (Primary Data, 2013)

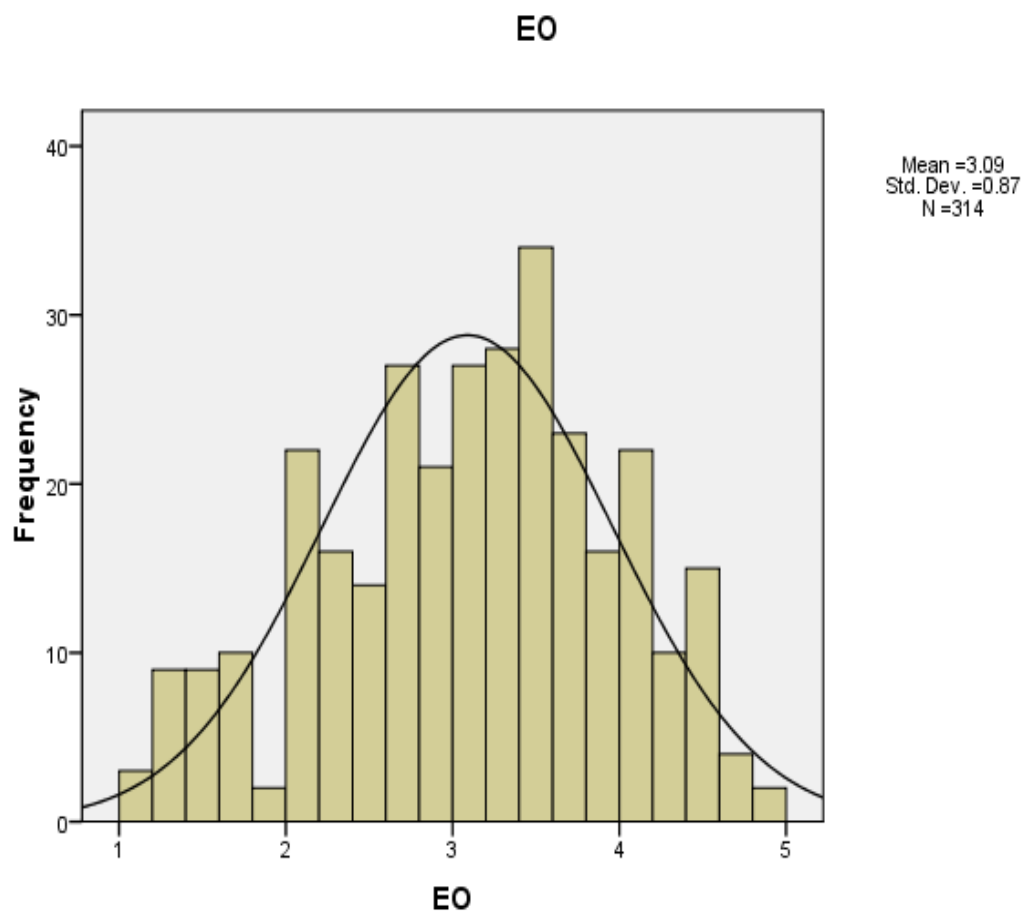


Figure 4-1: Data Normality of Entrepreneurial orientation items

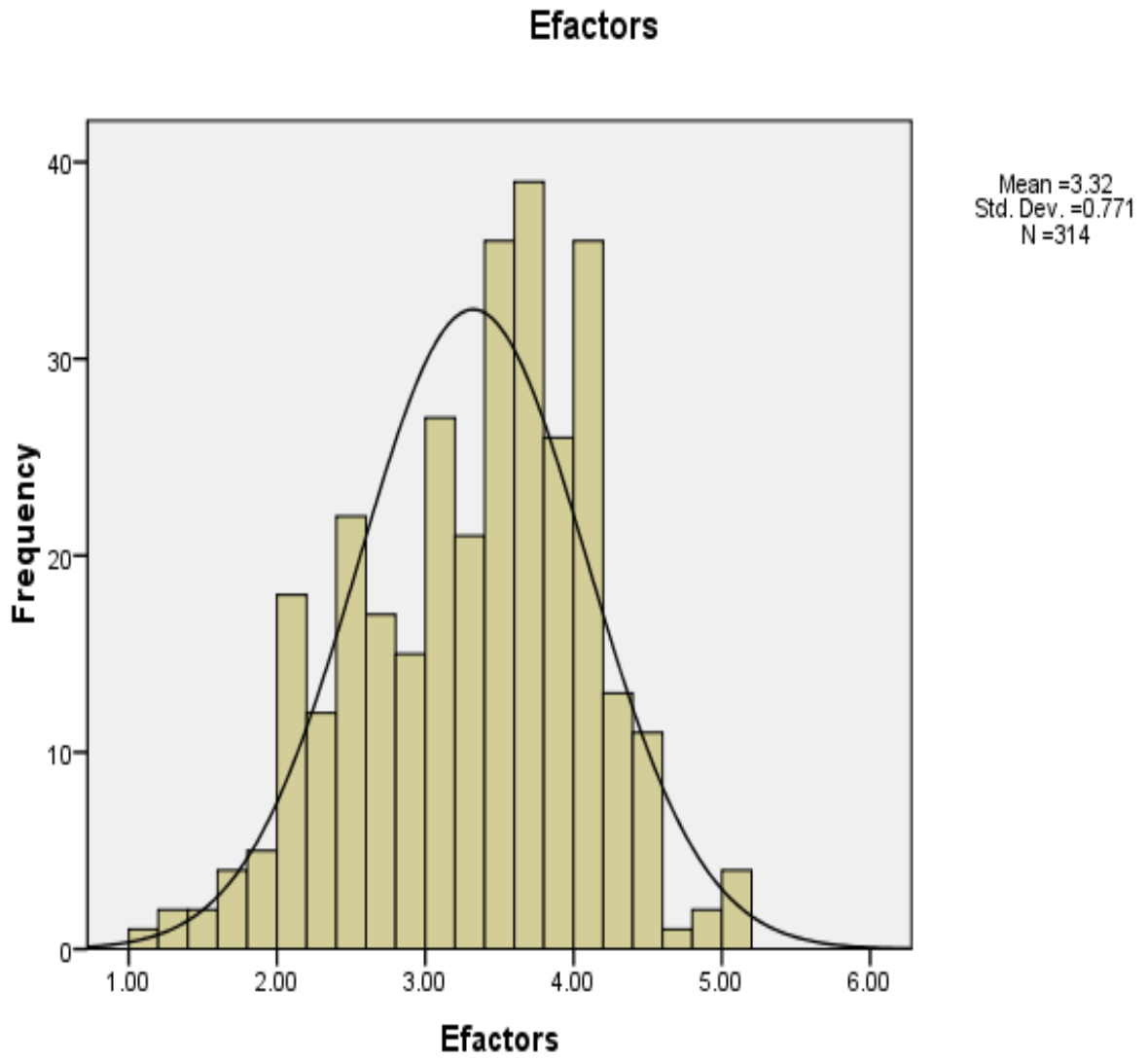


Figure 4-2: Data Normality of Environmental Factors items

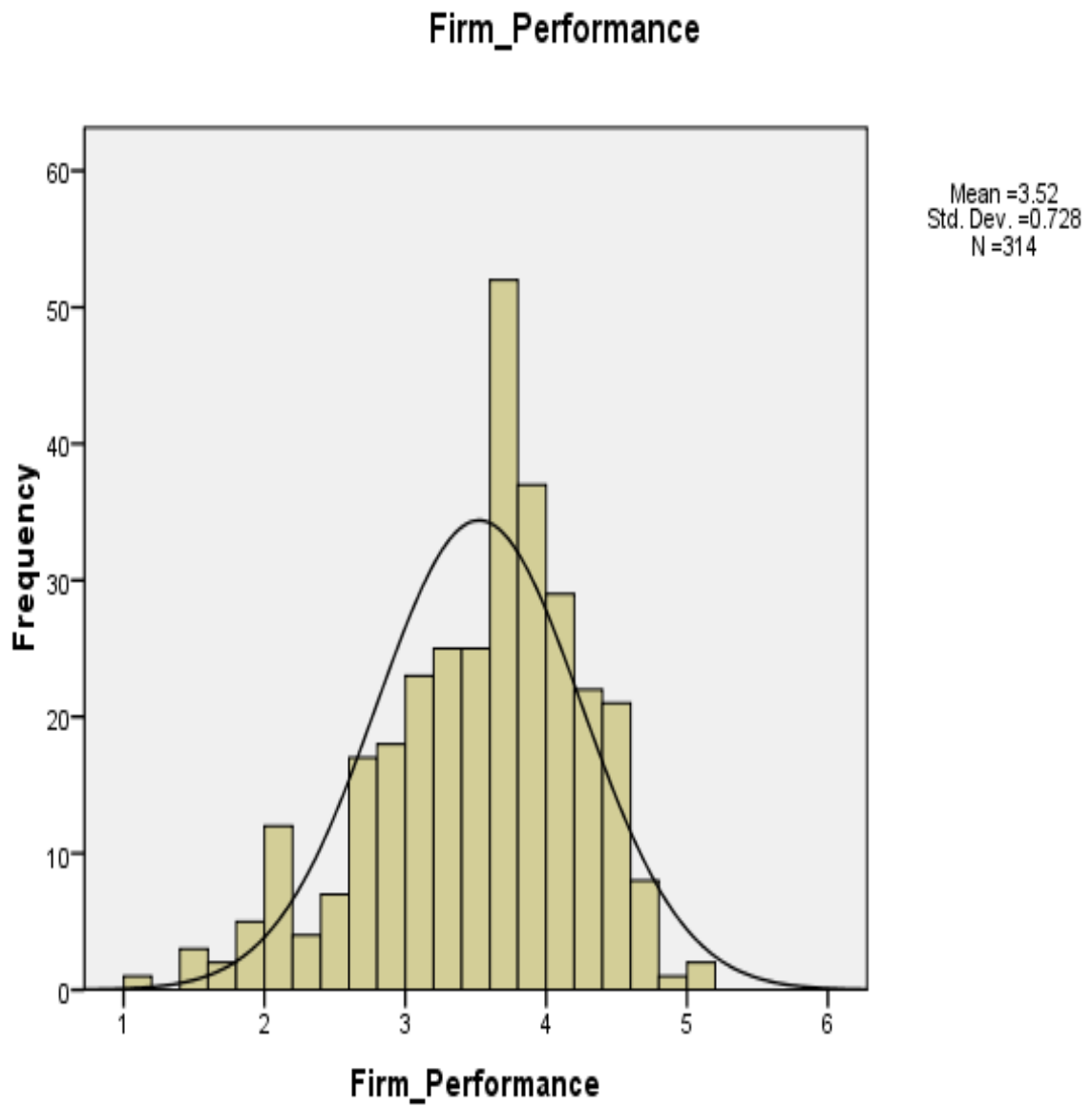


Figure 4-3: Data Normality of Firm performance indicators



### 4.3. Response Rate

The data collected for this dissertation were obtained through primary research. A survey was created in January 2013, and it is distributed manually with help of SIMAD centre research, Somali women entrepreneurs association and student unions of Bosaso University, Amud University in Puntland and Somaliland as well as Bay women Network (BWN) from May-July 2013.

The researcher distributed 500 questionnaires across all four regions of Somalia, Banadir, Somaliland, South central region and Puntland, the decision was to distribute more than the sample incase of some will not return and some will not full filled. Three hundred and forty four questionnaires were returned. Thirty of them were not complete partially. Thus, the researcher analyzed 314 questionnaires. The response rate was 63 percent, and this response rate is more than enough in Social sciences studies.

Table 4-2: Response rate

Total Questionnaires distributed	500
Completed questionnaire received from respondents	314
Returned questionnaires (partially answered)	30
Questionnaires not returned	150
Response Rate	<b>63 %</b>

Source (Primary Data, 2013)

#### **4.4. Demographic Data and Business Profile**

This section investigated the demographic profile of women entrepreneurs participated the survey. This was in the light of the Somali women became primary economic providers to the families going out to the markets to do businesses where this act of women participating in business activities is an issue that changed the role of women in the family. The data collected was analyzed descriptive statistics using frequency analysis. This part presents the results of the demographic and business profile analysis.

The first objective of this study was to investigate the demographic profile of the women entrepreneurs in Somalia .to achieve this objective, the respondents were asked to answer following questions; which age group is the respondent; their marital status; the formal education of the women; how many people live in their household; the situation before business startup; prior work experience; the time business started or firm age; family background in terms of husband and children; to know the dual responsibility of women entrepreneurs, finally the regions of respondents. Also the research investigated the business profile of women entrepreneurs to find out the characteristics of their entrepreneurship;twomaindiscussionsweredividedaccordingtothebelow:

##### **4.4.1. Respondents Demographic Characteristics**

According to below table 4-3, Ages of the respondents, majority of them were in between the ages of 36-45 years (53.2%) while other respondents are above 46 years (15.6%) respectively, the rest are 25-35 (31.2%). in terms of Marital status, the frequency of the single were 63 with percentage of 20.9%, married frequency were 181 with percentage of 60.1%,This result showed that the majority of women

entrepreneurs are married due to their being entrepreneurship We can infer here that married women are working in order to contribute to their family income.

They have many people who depend on them back at home. Conversely, the widows and the divorcees just live with their families and relatives. They don't venture as married women do, while number of divorced women were 57 with percentage of 18.9%.

In terms of Level of education as appeared in the below table, the most and clustered area of the whole respondents were in the level of primary degree which shown that the number of primary education respondents were 164 which results 54.5%, the second respondents were in the level of secondary which shown that the number of secondary level respondents were 80 which results 26.6%, the diploma holders was 52 respondents which results 17.3% while the degree holders are smallest one 5 women entrepreneurs are graduated from university this definitely will influence their business performance.

According to the experience level of the women entrepreneurs in Somalia, 48.8% of the respondents were had between 1-5 years experience in entrepreneurship, one hundred and seven respondents had experience between 6-10 years which is 35.5% while forty seven respondents had experience more than ten years which represent around 15.5%.

In terms of Firm Age, most of the respondents selected into 4-6 years' and were 117 respondents with percentage of 39.5%, while some women entrepreneurs select 7-10- years 'towards firm age and were 49 respondents with percentage of 16.3%, and also less than 3 years selectors were 133 respondents with percentage of 44.2%.

As to the family background, 71.4% of the women entrepreneurs who replied have a husband, while 28.6% declared that they did not have partners in their life but 78% of the respondents stated having children.

We have also make inquiries the number of children depending on these women. From the table below we can see that more than half of women have given birth to 1 to 6 while 22% have more than 7 children. Less than 13% of these women are child less.

According to respondents region, 71% of participants of the survey live in Banadir region where the capital city of Mogadishu located, 10% were in south central region such as Baidawa, Kismayo, Marko and Baldwyn districts, 8.6% were from Puntland region while 9% live in Somaliland.

Table 4-3 Demographic characteristics of the respondents

<b>Demographic Profile</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Age</b>			
25-35	94	31.2	31.2
36-45	160	53.2	84.4
Above 46	47	15.6	100.0
<b>Total</b>	<b>301</b>	<b>100.0</b>	
<b>Marital status</b>			
Single	63	20.9	20.9
Married	181	60.1	81.1
Divorced	57	18.9	100.0
<b>Total</b>	<b>301</b>	<b>100.0</b>	
<b>Educational Background</b>			
Primary Education	164	54.5	54.5
Secondary	80	26.6	81.1
Diploma	52	17.3	98.3
Degree	5	1.7	100.0
<b>Total</b>	<b>301</b>	<b>100.0</b>	

Table 3-4 continues

Table 3-4 (continued)

<b>Experience</b>			
1-5 years	147	48.8	48.8
5-10 years	107	35.5	84.4
Above 10	47	15.6	100.0
<b>Total</b>	301	100.0	
<b>Firm age</b>			
Less Than 3 years	133	44.2	44.2
3-6 years	119	39.5	83.7
6-10 years	49	16.3	100.0
<b>Total</b>	301	100.0	
<b>Family background-husband</b>			
Yes	215	71.4	71.4
No	86	28.6	100.0
<b>Total</b>	301	100.0	
<b>Family background-children</b>			
Yes	236	78.4	79.2
No	62	20.6	100.0
<b>Total</b>	298	99.0	
<b>How many children do you have?</b>			
1-3 Children	120	39.9	45.8
3-6 children	75	24.9	74.4
6-9 children	45	15.0	91.6
10> children	22	7.3	100.0
<b>Total</b>	262	87.0	
<b>Respondent region</b>			
Banadir region	216	71.8	71.8
South-central Regions	32	10.6	82.4
Punt land	26	8.6	91.0
Somaliland	27	9.0	100.0
<b>Total</b>	301	100.0	

Primary source, 2013

#### ***4.4.2. Respondents Business Profile***

As shown table below (4-4) the majority of Women entrepreneurs are owners (84.1%) while (15.9%) are employees. According to size of business most women owned business are micro which has 1 to 9 employees (78%) , while (16.9%) are small business which have 10 to 49 employees, the rest (4.7%) are medium enterprise which have (50-249) employees.

According to the replies of the respondents most business women are small retailer (41.2%), 21.9% are wholesalers, 12% involves professional service, 10% involved Hairdressing, 8% are involved transportation and the rest 6% are involve Hotel and Restaurant business.

In terms of ownership type, the majority (67.8%) of women business are sole proprietorship which is a business owned by one person, while other (32.2%) are Partnership business, enhance most Somali business women are sole proprietorship.

As for the origin of the business, (50.5%) of the respondents replied that women created their business from start-up, while (42.5%) bought from enterprise, (4.7%) derived from or inherited their Parents while the rest (1.7%) from other sources. As to professional Membership, most of women entrepreneurs (81.1%) have no registered any professional membership, while (16.6%) are part of Professional Business Association, while (2.3%) of the respondents are missed. According to membership, (14.6%) are registered informal Association, while (6.3%) are part of formal business Association, but unfortunately (79.1%) are not part even informal associations. Based on support of local government, the majority (74.1%) of the respondents agreed no support from local government, while (24.6%) got assistance from local government.

The kind of assistance, (7.3%) Entrepreneurship training, (7.3%) are regulations impose to the business, (4.3 %) the support is impose anti-discrimination law, (2.3%) better access of business information, (1.0%) responded that they got all support, but unfortunately (70.8%) of the respondents are not answer.

Table 4.4: Business characteristics of the respondents

<b>Business Profile</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Ownership</b>			
Owner	266	84.7	84.7
Employee	48	15.3	15.3
Total	314	100.0	
<b>Business size</b>			
Micro enterprise (1-9 employees)	245	78.0	78.0
Small enterprise (10-49 employees)	55	17.5	95.5
Medium enterprise (50-249 employees)	14	4.5	100.0
Total	314	100.0	
<b>Industry</b>			
Professional services	36	11.5	11.5
Hairdressing	33	10.5	22.0
Hotel and restaurant	19	6.1	28.0
Transportation	25	8.0	36.0
Retail	130	41.4	77.4
Wholesale	71	22.6	100.0
Total	314	100.0	
<b>Classification of business ownership</b>			
Sole proprietorship	215	68.5	68.5
Partnership	99	31.5	100.0
Total	314	100.0	
<b>How was business established?</b>			
Self-started	161	51.3	51.4
Purchased	132	42.0	93.6
Inherited	15	4.8	98.4
Others	5	1.6	100.0
Total	313	99.7	
<b>Membership of business associations</b>			
Yes	60	19.1	19.1
No	254	80.9	100.0
Total	314	100.0	

Table 4.4 continues

Table 4-4 (continued)

<b>If yes ; please specify the kind of association</b>			
Formal	19	6.1	30.2
Informal	44	14.0	100.0
<b>Total</b>	63	20.1	
<b>Getting Support from local Authority</b>			
Yes	75	23.9	45.8
No	235	74.8	74.4
No respond (missing)	4	1.3	91.6
<b>Total</b>	314	100.0	
<b>If Yes what kind of support?</b>			
Financial support	21	6.7	23.6
Regulations impose to the business	22	7.0	48.3
Entrepreneurship training	22	7.0	73.0
ant –discrimination laws	13	4.1	87.6
Better access to information	8	2.5	96.6
All of the above	3	1.0	100.0
<b>Total</b>	89	28.3	

Primary source, 2013

#### ***4.4.3. Time dedicated women entrepreneurs to the business per day***

Became entrepreneurs is clearly a life style, (41.1%) of the respondents declared to work 7-10 hours per day, (36.3%) declared dedicating 2-6 hours a day to their business, (12.1%) women entrepreneurs dedicates 11-16 hours per day to their business, (6.1%) of respondents dedicates less than 1 hour per day to their enterprises, these may be are owners not hand on managers while (4.5%) of women entrepreneurs dedicates their business over 16 hours.



Table 4.5: Time dedicated for running entrepreneurship per day

<b>Time dedicated for running entrepreneurship per day</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Less than 1 hour	19	6.1	6.1
2-6 hours	114	36.3	42.4
7-10 hours	129	41.1	83.4
11-16 hours	38	12.1	95.5
Above 16 hours	14	4.5	100.0
<b>Total</b>	<b>314</b>	<b>100.0</b>	

Primary source, 2013

#### ***4.4.4. Source of Entrepreneurship Advice***

As entrepreneurs many challenges and obstacles will face, business advice is the most needed so where Somali women got their business advices, the most respondents get advice from persons with relevant business experience at 29.3%, whereas some others get advice from friends with experience from similar business at 21.0%, the third place that women entrepreneurs get advice is spouse at 19.7%, from business associations 9.9%, from relatives 8.6% while 11.5% did not get any advice.

Table 4.6: Source of entrepreneurship advice

<b>Source of Entrepreneurship Advice</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Persons with relevant business experience	92	29.3	29.3
Friends with experience in similar business	66	21.0	50.3
Spouse	62	19.7	70.1
Business Association	31	9.9	79.9
Relatives	27	8.6	88.5
Nobody	36	11.5	100.0
<b>Total</b>	<b>314</b>	<b>100.0</b>	

## 4.5. Goodness of the Measures

### 4.5.1. Reliability analysis of all variables

A reliability test was conducted to assess the internal consist of the items by using Cronbach's alpha. A variable is reliable and internally consistent when the alpha is .70 and above (Hair, Black, Babin, & Anderson, 2010). However, Bowling(2009) Bowling (2009) suggests that alpha of .50 and above is an indication of internal consistency. Based on the literature, all the Cronbach's alpha scores for the variables were greater than .60. The highest alpha was obtained by firm financial performance ( $\alpha=.813$ ), followed by environmental hostility ( $\alpha=.791$ ), Environmental heterogeneity ( $\alpha=.788$ ), pro-activeness ( $\alpha=.722$ ), non-financial performance ( $\alpha=.721$ ), innovation ( $\alpha=.718$ ) and). The lowest alpha was found to belong to environmental dynamism ( $\alpha=.607$ ).

Table 4.7: Reliability test for all variables

NO.	VARIABLE	N	Items	Items deleted	Cronbach's Alpha
1.	Innovation	314	3	-----	<b>.718</b>
2.	Pro-activeness	314	4	-----	<b>.722</b>
3.	Environmental hostility	314	6	2	<b>.791</b>
4.	Environmental heterogeneity	314	3	-----	<b>.788</b>
5.	Environmental dynamism	314	3	-----	<b>.607</b>
6.	Firm financial performance	314	11	1	.813
7.	Firm Non-financial performance	314	4	1	<b>.721</b>

Source(primary Data analyzed,2013)

### 4.5.2. Validity Test Using Factor Analysis

In order to achieve this objective and ensure the validity of the measures, exploratory factor analysis (EFA) were conducted for the EO, Firm performance and environmental Determinants construct by using principle components (PC) with Varimaxrotation. PC is widely used and it is most appropriate when the data reduction is the major concern for the researcher (Hair et al., 2010).

#### **4.5.2.1. Factor analysis on entrepreneurial orientation constructs**

Before proceeding to the factor analyze, it has been checked for suitability of the sample size for running factor analysis. Measure of sampling adequacy (MSA) and Bartlett's test of sphericity, which is about whether there is sufficient correlations exist, were used to test the basic assumptions of factor analysis (Hair et al., 2010)(Hair et al, 2010). MSA should be greater than 0.50, while Bartlett's test should be significant at 0.05.

The 9 items of the Entrepreneurial orientation dimensions were subjected to principal components analysis (PCA) using SPSS version 17. Prior to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser- Meyer-Olkin value was .869, exceeding the recommended value of .6 and Bartlett's Test of Sphericity reached statistical significance ( $p=.000$ ) with Chi square of 751.048 (df= 36) (see in Appendix B1). Based on these figures, the sample size is sufficient to use factor analysis. There are sufficient correlations among the items for the construct of Entrepreneurial orientation supporting the factorability of the correlation matrix.

There are several guidelines for factor extraction and interpretation. Different techniques for factor analysis assessment including factor loadings, communalities, total variance explained and Eigenvalues were used as suggested in the literature (Hair et al., 2010). Before extracting the factors, the Scree Plot, which is based on Eigen value, was checked to determine how many factors could be extracted. As shown in figure 1 below, the Scree Plot suggested two factors with Eigen values of more than 1.

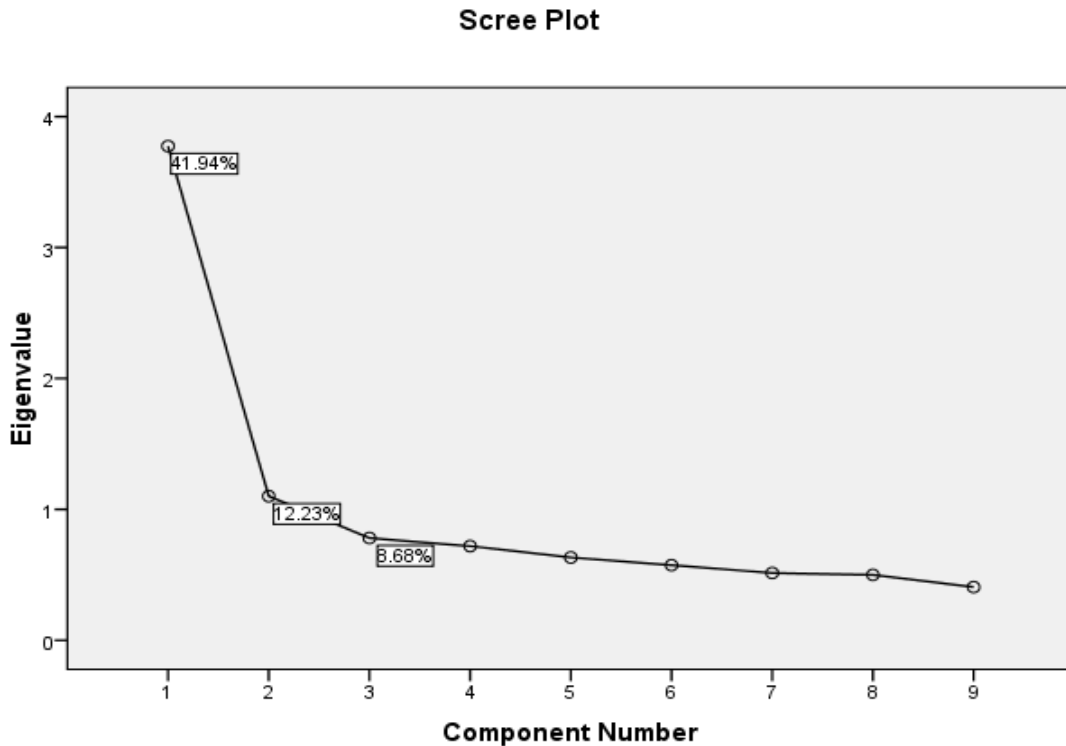


Figure 4.4: Scree Plot on Entrepreneurial orientation construct

In order to determine the factor structure, the loadings should be greater than .50, indicating practical and statistical significance. For the communalities, it should be greater than .50 in order to show that the item contributes to the factor structure. However, if the sample is very large, a value of .40 is acceptable. The recommended variance explained in social science is above 60%, in some cases, 50% and above is acceptable, while the Eigenvalue should be greater than one (Hair et al., 2010). There were 9 items for EO construct, which were adopted from previous studies, representing Entrepreneurial orientation on women owned and managed micro and small enterprises.

To determine how many components (factors) to ‘extract’, we need to consider a few pieces of information provided in the output. Using Kaiser’s criterion, we are interested only in components that have an eigenvalue of 1 or more. To

determine how many components meet this criterion, we need to look in the Total Variance Explained table (see appendix B1).

As suggested by the Scree Plot above, two factors were extracted from the analysis. Four items were loaded less on their respective factor (IV06, IV07, IV08, IV09) their Communalities are less than the cut score of .50 (.495, .481, .487, .496), which indicated that each item has no contribution to their respective factor; the less communalities were deleted (IV07 and IV08).

The eigenvalues for each component are listed. Only the two components recorded eigenvalues above 1 (2.114, 2.050). The Factor loadings on all the dimensions ranged from 0.804 to 0.645., these two components before extracting the factors, the Scree Plot, which is based on Eigenvalue, was checked to determine how many factors could be extracted. As shown in figure 1 below, the Scree Plot suggested two factors with Eigenvalues of more than 1 onents explain a total of 59.5 % of the variance. The Cronbach's alpha for the two factors was 0.718, and 0.722 respectively.

Table 4.8: Exploratory Factor analysis for Entrepreneurial orientation

Factors	Item Label	Items	Factor Loading	
			F1	F2
<b>F1:</b> <i>Pro-Activeness</i>	IV09	People in our business are encouraged to take calculated risks with new ideas.	<b>.753</b>	-.027
	IV05	We initiate actions to which competitors then respond	<b>.751</b>	.242
	IV04	We always try to take initiative in every situation (e.g. against competitors, in projects, when working with others, etc.)	<b>.656</b>	.374
	IV06	It is very often that our business is the first to introduce new products, services, administrative techniques, etc.	<b>.645</b>	.305
<b>F2:</b> <b>Innovation</b>	IV01	Our firm actively introduce improvements and innovations in our business	.205	<b>.804</b>
	IV02	Changes in our product or service lines have been quite dramatic	.086	<b>.768</b>
	IV03	Our firm encourages development of employees ideas for the purpose of business improvement	.296	<b>.722</b>
<b>Percentage Variance Explained</b>			<b>30.204</b>	<b>29.289</b>
<b>Eigenvalues</b>			<b>2.114</b>	<b>2.050</b>
<b>Reliability</b>			<b>0.718</b>	<b>0.722</b>

Source (primary Data analyzed, 2013)

#### 4.5.2.2. Factor analysis on environmental determinants

The 12 items of the Environmental determinants (moderating variable) were subjected to principal components analysis (PCA) using SPSS version 17. Prior to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser- Meyer-Olkin value was .820, exceeding the recommended value of .6 and Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix.

Principal components analysis revealed the presence of three components with eigenvalues exceeding 1, explaining 25%, 21%, and 17% of the variance respectively. An inspection of the scree plot revealed a clear break after the third component as shown in below figure 4-5.

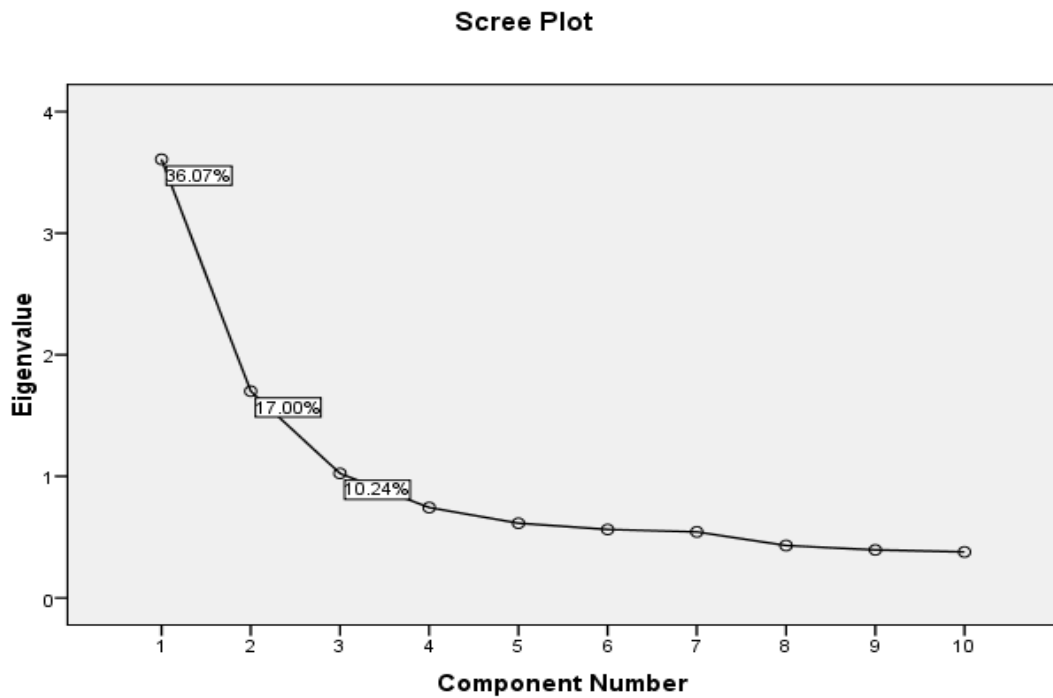


Figure 4.5: Scree Plot on Environmental determinants construct

As suggested by the Scree Plot figure (4-5), three factors were extracted from the analysis. Two items were loaded less on their respective factor (EH01 and EH04); items Communalities were less than the cut score of .50 (.488, .459 respectively), which indicated that the item has no contribution to their respective factor; the two items were deleted and all other items were loaded high on their respective factor as shown in table 4.9.

The first factor was labeled as “Environmental hostility” and accounted for 25% of variance explained with Eigenvalue greater than 1. The factor obtained a high internal consistency ( $\alpha = .791$ ). The factor consisted of eight (4) items, the second factor was named as “Environmental heterogeneity” It consisted of three (3) items, the factor explained 21% of the variance with Eigenvalue greater than one.

The reliability of the factor was acceptable ( $\alpha = .788$ ) and the third factor labeled as “Environmental dynamism” the factor explained 17% of the variance with Eigenvalue greater than 1, the factor also contains three items, The reliability of the

factor was acceptable ( $\alpha = .607$ ). Moreover, the three factors explained an overall 63% of variance while the overall alpha was also very high ( $\alpha = .735$ ).

Table 4.9: Exploratory Factor analysis for Environmental determinants

Factors	Item Label	Items	F1	F2	F3
<b>F1: Environmental Hostility</b>	EH02	In our industry, demand and customers tastes are unpredictable	<b>.816</b>	.148	.052
	EH03	Declining markets for products/ services are a major challenge in our Industry.	<b>.765</b>	.264	-.041
	EH05	Our business environment causes a great deal of threat to survival of our firm.	<b>.728</b>	.251	.000
	EH06	Political instability is a major challenge in our industry	<b>.651</b>	.281	-.051
<b>F2: Environmental Heterogeneity</b>	EHE02	Customers' buying habits vary a great deal from one line of our business to other.	.264	<b>.802</b>	.047
	EHE01	We are a highly diversified conglomerate and operate in unrelated industries.	.238	<b>.786</b>	.023
	EHE03	Market dynamism and uncertainty vary a great deal from one line of our business to other.	.283	<b>.783</b>	-.012
<b>F3: Environmental Dynamism</b>	ED02	In our industry methods of production and selling strategies change often and in major ways	.150	-.128	<b>.798</b>
	ED03	Our firm must change its marketing practices frequently	.046	.089	<b>.772</b>
	ED01	The rate of products/Service obsolete in our industry is high	-.242	.072	<b>.675</b>
<b>Percentage Variance Explained</b>			<b>24.953</b>	<b>21.386</b>	<b>16.978</b>
<b>Eigenvalues</b>			<b>2.495</b>	<b>2.139</b>	<b>1.698</b>
<b>Reliability</b>			<b>0.791</b>	<b>0.788</b>	<b>0.607</b>



### 4.5.2.3. Factor analysis on firm performance

The 15 items of the firm performance (dependent variable) were subjected also to principal components analysis (PCA). Earlier to performing PCA, the suitability of data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser- Meyer-Olkin value was .868, exceeding the recommended value of .6 and Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix.

Principal components analysis revealed the presence of three components with eigenvalues exceeding 1, explaining 25%, 18%, and 14% of the variance respectively. An inspection of the scree plot revealed a clear break after the third component as shown in below figure 4-6.

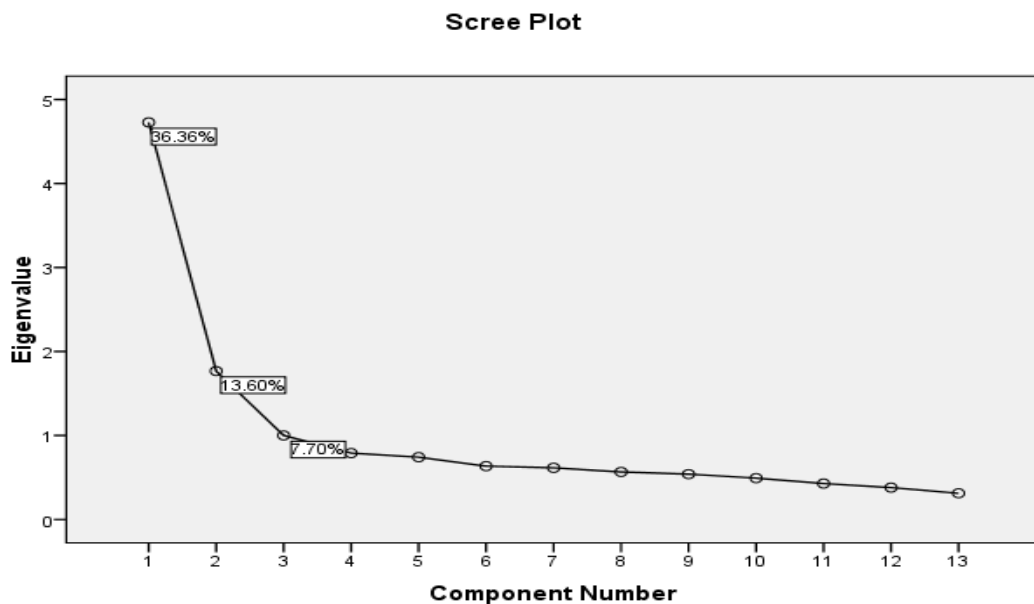


Figure 4.6: Scree Plot on Firm performance construct

As suggested by the Scree Plot figure (4-6) above, three factors were extracted from the analysis. Two items were loaded less on their respective factor (NFP1 and FL03); items Communalities were less than the cut score of .50 (.277, .378 respectively), which indicated that the item has no contribution to their respective factor; the two items were deleted and all other items were loaded high on their respective factor.

First factor was labeled as "firm profitability" and it consisted of 5 items, factors including "I lost part of my capital in the process of doing this business", "The share I invested at the beginning of this business has grown larger than the original amount.", "My business experiences losses from time to time", "My business is relatively experiencing high profit margin because our sales are greater than the cost of purchases & sales."; and "The amount of my current assets is larger than the original investment at the time of business start". The factor explained 25% of the variance with Eigenvalue greater than one. The reliability of the factor was acceptable ( $\alpha = .727$ ).

The second factor of the construct was labeled as "Firm liquidity" and accounted for 18% of variance explained with Eigenvalue greater than 1. The factor obtained a high internal consistency ( $\alpha = .839$ ). The factor consisted of five (5) items. The third factor was named "Non-financial measurements" and it consisted of three (3) items with internal consistency ( $\alpha = .721$ ) and its acceptable and reliable, the factors explained variance accounted 14% with Eigenvalue greater than 1. Moreover, the three factors explained an overall 58% of variance while the overall alpha was also very high ( $\alpha = .846$ ).

Table 4.10: Exploratory Factor analysis for firm performance

<b>Factors</b>	<b>Item Label</b>	<b>Items</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
<b>F1: Profitability</b>	FP05	I lost part of my capital in the process of doing this business	<b>.753</b>	.148	.190
	FP03	The share I invested at the beginning of this business has grown larger than the original amount.	<b>.735</b>	.132	.198
	FP04	My business experiences losses from time to time	<b>.728</b>	.112	.181
	FP01	My business is relatively experiencing high profit margin because our sales are greater than the cost of purchases & sales.	<b>.722</b>	.151	.205
	FP02	The amount of my current assets is larger than the original investment at the time of business start.	<b>.702</b>	.125	.232
<b>F2: Liquidity</b>	FL05	In my experience, there were times I could not pay the rentals, electricity & the balance owed by the supplier	.119	<b>.726</b>	.143
	FL04	It takes longer than one year to convert current assets (inventories & receivables) into cash	.016	<b>.675</b>	.216
	FL06	The current balance of the liability were borrowed before one year	-.059	<b>.669</b>	.449
	FL01	How do you rate your business' ability to pay its bills within 3 to 12 months?	.314	<b>.657</b>	-.149
	FL02	The current assets of the company are more than the current liabilities	.289	<b>.627</b>	-.179
<b>F3: Non-financial measurements</b>	NFP2	Market Development which offers New Product Development	.284	.115	<b>.693</b>
	NFP4	My market share increased last three years	.395	.024	<b>.668</b>
	NFP3	My product and service quality drive customer satisfaction.	.473	.087	<b>.602</b>
<b>% variance explained for each</b>			<b>25</b>	<b>18</b>	<b>14</b>
<b>Eigenvalues</b>			<b>3.310</b>	<b>2.368</b>	<b>1.817</b>
<b>Reliability</b>			<b>0.727</b>	<b>0.839</b>	<b>0.721</b>

Note: The scale used for these items rang from strongly disagree to strongly agree (5-point likert scale).

## 4.6. Modified Conceptual Framework

From the results of the factor analysis, the environmental variables and firm performance variables remained unchanged. However, the variables related to entrepreneurial orientation had been changed to two variables consist of Innovation and Pro-activeness. (The modified conceptual framework is presented in Figure 4.7). Accordingly, the earlier hypotheses related to entrepreneurial orientation will be changed. The risk taking hypotheses were removed:

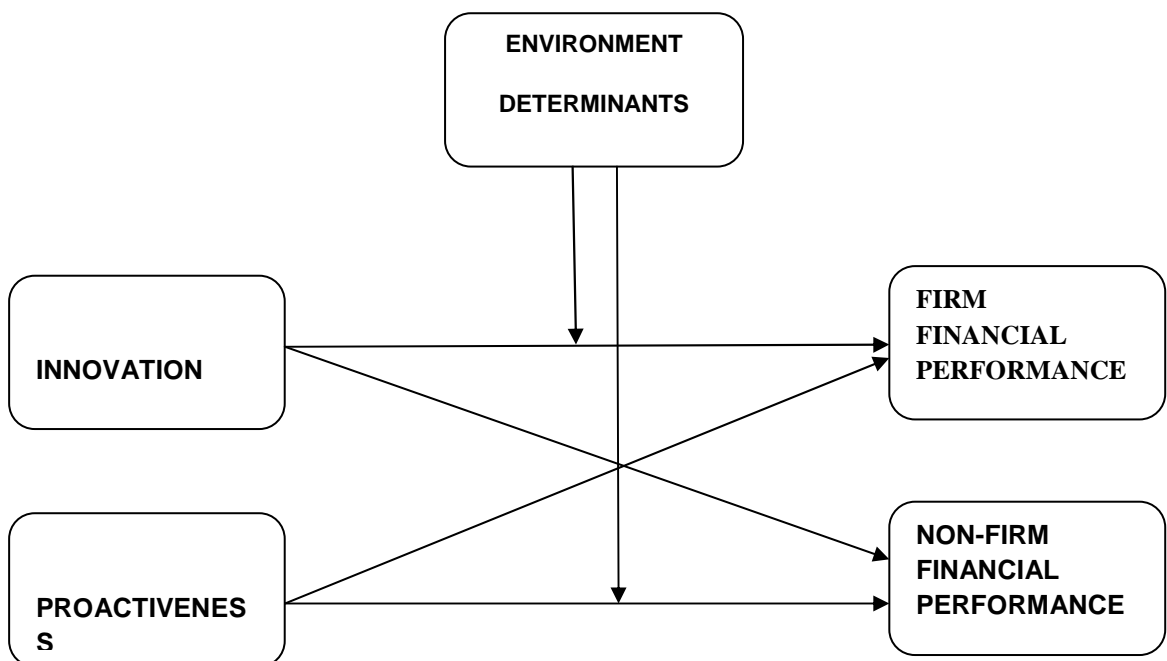


Figure 4.7: Modified conceptual framework

According to new conceptual framework, researcher developed the new hypothesis in the following table 4.11.

Table 4.11: Modified hypothesis

<b>H1</b>	<b>Entrepreneurial orientation has positive influence on form performance</b>
<b>H1.1</b>	Innovativeness has positive effect on firm financial performance
<b>H1.2</b>	Innovativeness has positive effect on firm Non-financial performance
<b>H1.3</b>	Pro-activeness has positive effect on firm financial performance
<b>H1.4</b>	Pro-activeness has positive effect on firm Non-financial performance
<b>H2</b>	<b>Environmental Determinants has positive influence on entrepreneurial orientation</b>
<b>H2.1</b>	Environmental hostility (EH) has a positive effect on entrepreneurial orientation.
<b>H2.2</b>	Environmental Heterogeneity has a positive effect on entrepreneurial orientation.
<b>H2.3</b>	Dynamism has a positive effect on entrepreneurial orientation
<b>H3</b>	<b>Environmental Determinants has positive influence on Firm performance</b>
<b>H3.1</b>	Environmental hostility has significant positive effect on firm performance.
<b>H3.2</b>	Environmental heterogeneity has significant positive effect on firm performance.
<b>H3.3</b>	Environmental dynamism has significant positive effect on firm performance
<b>H4:</b>	<b>Environmental determinants moderate positively the relationship between EO and Firm performance</b>
<b>H4.1</b>	There is positive moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance
<b>H4.2</b>	There is positive moderating effect of environmental hostility on the relationship between entrepreneurial orientation and firm performance.
<b>H4.3</b>	There is positive moderating effect of environmental heterogeneity on the relationship between entrepreneurial orientation and firm performance

## **4.7 Descriptive Statistics**

### ***4.7.1. Entrepreneurial orientation of Somali women***

Average of the respondents (as mean 3.38 with St. Dev. 1.218 shows) of this survey neutral that women employed or owned firms actively introduce improvements and innovations in their businesses, but they agree with mean score of 3.63 and St. Dev. of 1.068 that changes in their products or service lines have been quite dramatic. They also agree with mean score of 3.73 and St. Dev. of 1.015 that their firms encourage development of employees' ideas for the purpose of business improvement.

The respondents surveyed score above the overall mean that they value finding new businesses or markets to target, creating new products that will provide value to new or existing customer and findings non-product way to create value for new or existing customers, such as through distribution channels, sales force and advertising, according to pro-activeness dimension, Somali Women entrepreneurs are proactive; they create partnership with the best partner in the industry before their competitors enlist them and introduce new products or services before their competitors.

Table 4.12: Descriptive Statistics of Entrepreneurial Orientation

No	Variables	Mean	Standard Dev.	Interpretation
<b>Innovation</b>				
1	Our firm actively introduce improvements and innovations in our business	3.09	1.295	Neutral
2	Changes in our product or service lines have been quite dramatic	3.18	1.260	Agree
3	Our firm encourages development of employees ideas for the purpose of business improvement	3.37	1.268	Agree
<b>Pro-activeness</b>				
4	We always try to take initiative in every situation (e.g. against competitors, in projects, when working with others, etc.)	3.02	1.334	Agree
5	We initiate actions to which competitors then respond	3.01	1.264	Agree
6	It is very often that our business is the first to introduce new products, services, administrative techniques, etc.	2.99	1.347	Agree
9	Typically, we adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities.	2.86	1.369	Agree
<b>Score</b>		<b>3.41</b>	<b>.695</b>	<b>Agree</b>
<b>Overall Score</b>		<b>3.60</b>	<b>.495</b>	<b>Agree</b>

#### 4.7.2. Environmental Determinants

Environmental hostility is one which women entrepreneurs are unable to thrive, its unfavorable conditions in the entrepreneurship general, external environment. This hostility stops from the environment's unfavorable political, legal, regulatory, and economic conditions which can reduce the women's degrees of freedom in mapping and pursuing entrepreneurship.

Major factors affecting Somali women entrepreneurs as table 4-13 below shows are unpredictability of demand and customer tastes and their business environment causes a great deal of threat to survival of their firm. Both factors scores mean of 3.82 and 3.58. Environmental factors challenging Somali women entrepreneurs are not only the factors above, price competition and political instability affects them as their average scores of 3.53 and 3.43.

Environmental dynamism characterizes the rate of change in an environment and is the rate at which the choices of consumers and the products of business change over time. Dynamic environments are unpredictable, devoid of model and regularities.

As shown in the below table, total mean value of 3.56 states that the respondents of the survey agreed the rate of products/Service change is high in women owned and managed enterprises in Somalia, methods of production and selling strategies change often and in major ways. However women firms must change its marketing practices frequently to avoid the dynamics in the market.

Environmental heterogeneity indicates that there are several different segments of the market with varied characteristics and needs that is served by the firm. In order to take advantage of the

Heterogeneity of the business environment, the firm needs to be proactive and risk-taking and innovative in order to take advantage of potential arbitrage and connect different markets.

Analyzing environmental heterogeneity, women entrepreneurs agree that they are highly diversified conglomerate and operate in unrelated industries, they also agree that customers' buying habits and market uncertainty vary a great deal from one line of their business to other as a major challenge and scored mean of 3.42, 3.58 and 3.50.



Table 4.13: Descriptive Statistics of Environmental determinants

No	Variables	Mean	SD	Interpretation
<b>Environmental hostility</b>				
1	In our industry, actions of competitors are unpredictable	3.82	1.305	Agree
2	In our industry, demand and customers tastes are unpredictable	3.47	1.249	Agree
3	Declining markets for products/ services are a major challenge in our Industry.	3.39	1.278	Neutral
4	Tough price competition is major challenge in our industry.	3.43	1.221	Agree
5	Our business environment causes a great deal of threat to survival of our firm.	3.58	1.226	Agree
6	Political instability is a major challenge in our industry	3.53	1.226	Agree
<b>Score</b>		<b>3.53</b>	<b>1.251</b>	<b>Agree</b>
<b>Environmental dynamism</b>				
7	The rate of products/Service obsolete in our industry is high	3.29	1.383	Neutral
8	In our industry methods of production and selling strategies change often and in major ways	3.65	1.348	Agree
9	Our firm must change its marketing practices frequently	3.76	1.193	Agree
<b>Environmental heterogeneity</b>				
10	We are a highly diversified conglomerate and operate in unrelated industries.	3.42	1.252	Agree
11	Customers' buying habits vary a great deal from one line of our business to other.	3.58	1.197	Agree
12	Market dynamism and uncertainty vary a great deal from one line of our business	3.50	1.249	Agree
<b>Score</b>		<b>3.56</b>	<b>1.308</b>	<b>Agree</b>
<b>Overall Score</b>		<b>3.53</b>	<b>1.263</b>	<b>Agree</b>

Primary source, 2013

### 4.7.3. Firm Performance

Performance variables are important when deriving recommendations, for research and practice. The descriptive statistics for the two different performance variables are shown in Table below; the result of firm performance using descriptive analysis (mean and standard deviation)with SPSS version 16.0, the main objective of firm performance is to investigate the financial Performance, and non-financial performance of women entrepreneurs in Somalia. Financial performances measured by Liquidity and firm profitability while Non-financial performances are budget goal

achievement, Market Development which offers New Product Development, customer satisfaction and market share.

#### **4.7.3.1. Firm financial performance**

##### **a. Liquidity Measures**

According to the below table 4-14. Women entrepreneurs stated neutral for firm liquidity measurements such as business' ability to pay its bills (mean 2.96; SD 1.278), current assets of the company are more than the current liabilities (mean 3.01; SD 1.194), book values of current assets & current liabilities are equal with their market values (Mean 2.91; SD 1.234) and the firm takes longer than one year to convert current assets (inventories & receivables) into cash the overall score of liquidity measurements for mean 3.04, this findings indicate firm liquidity is not measuring fully to firm financial performance.

##### **b. Profitability Measures:**

As shown in the below table, the result of profitability indicator shows that the firm is relatively experiencing high profit margin because firm's sales are greater than the cost of purchases & sales as agreed women entrepreneurs in Somalia; the mean was 3.86. Where the mean value of 3.58 specifies the amount of firm's current assets is larger than the original investment at the time of business started, and it seems that the amount invested at the beginning of this business has grown larger than the original amount as stated respondents mean was 3.61. In addition that the mean values of 3.91 and 3.94 shows women experienced capital losses from time to time and part of the capital was lost in the process of doing this business.

### 4.7.3.2. Firm non-financial performance

As shown in Table 4-14 below, it highlights non-Financial Measures such as budget goal achievement, Market Development, which offers New-Product Development, customer satisfaction and gaining market share. The result of mean value 3.84 specifies the business' market share has increased latest three years.

Table 4.14: Descriptive statistics on Firm performance

No	Variables	Mean	SD	Interpretation
<b>Liquidity Measures</b>				
1	How do you rate your business' ability to pay its bills within 3 to 12 months?	2.96	1.278	<b>Neutral</b>
2	The current assets of the company are more than the current liabilities	3.01	1.194	<b>Neutral</b>
3	The book values of current assets & current liabilities are equal with their market values	2.91	1.234	<b>Neutral</b>
4	It takes longer than one year to convert current assets (inventories & receivables) into cash	3.33	1.368	<b>Neutral</b>
5	In my experience, there were times I could not pay the rentals, electricity & the balance owed by the supplier	3.13	1.240	<b>Neutral</b>
6	The current balance of the liability were borrowed before one year	2.93	1.248	<b>Neutral</b>
<b>Liquidity Score</b>		<b>3.045</b>	<b>1.260</b>	<b>Neutral</b>
<b>Profitability Measures:</b>				
1	My business is relatively experiencing high profit margin because our sales are greater than the cost of purchases & sales.	3.86	1.271	<b>Agree</b>
2	The amount of my current assets is larger than the original investment at the time of business start.	3.58	1.224	<b>Agree</b>
3	The share I invested at the beginning of this business has grown larger than the original amount.	3.61	1.258	<b>Agree</b>
4	My business experiences losses from time to time	3.91	1.118	<b>Agree</b>
5	I lost part of my capital in the process of doing this business	3.94	1.193	<b>Agree</b>
<b>Profitability score</b>		<b>3.78</b>	<b>1.212</b>	<b>Agree</b>
<b>Overall score of firm financial performance</b>		<b>3.412</b>	<b>1.236</b>	<b>Agree</b>
<b>Non-financial Indicator</b>				
1	I have expanded my business in the last few years (budget goal achievement)	3.36	1.156	<b>Neutral</b>
2	Existing Market Development which allows New Product Development to gain firm performance	3.42	1.100	<b>Agree</b>
3	My product and service quality drive customer satisfaction	3.70	1.124	<b>Agree</b>
4	My market share increased last three years	3.84	1.124	<b>Agree</b>

Primary source, 2013

The quality of products and services influenced customer satisfaction stated women respondents with mean value of 3.70. In addition of that; respondents answered neutral for expansion of their business in the end most few years with mean value of 3.36. However, respondents agree that existing market development, which allows new-product development to gain business performance, the mean value of the item was 3.42.

## **4.8. Research Questions**

### **4.8.1. RQ1: MOTIVATIONAL FACTORS OF SOMALI WOMEN ENTREPRENEURS**

The first objective of this study was to investigate the motivational factors of women entrepreneurs in Somalia. To achieve this objective, the women entrepreneurs were asked to react to choose one out of several possible motivating factors of starting business. Data on this objective was analyzed under the question “which of the following was your main reason for starting your own business?” their results are summarized in the following tables (4-15).

As table 4-15 explains, the reasons and motivation to start up business are selected 6 factors to analyse after the collection of the data, the overall summary of replies received, the most of women quoted that they start their business for economic opportunity (income generation) (40.8%) as being the most important one, whereas (20.7%) wishes for control and personal freedom to take their own decisions, in the third place (15.0%) don't want to work others, in the fourth place (10.8%) became entrepreneurs for Personal achievement, while (9.6%) start their business for social status and the rest (3.2%) confirmed the death of husband pushed to enter into entrepreneurship.

Table 4.15: The main reasons for starting entrepreneurship

Motivation factors	Frequency	Percent	Cumulative Percent
Need for economic opportunity (income generation)	128	40.8	40.8
Did not want to work for others	47	15.0	55.7
wants for control and freedom to make my own decisions (self-reliance)	65	20.7	76.4
Social status	30	9.6	86.0
Self – achievement	34	10.8	96.8
Death of husband	10	3.2	100.0
<b>Total</b>	314	100.0	

## **4.8.2. RQ2: CONSTRAINTS AND CHALLENGES FACED BY SOMALI WOMEN ENTREPRENEURS**

### **4.8.2.1. Start-Up Constraints Faced By Women Entrepreneurs**

The obstacles that most women face when starting a business, a question of self-confidence (believing in your abilities) come first at 29% , in second place financial questions (raising capital) at 23.6%, in third place, security and political non-stability problem faced when starting the business at 20.7%, the four obstacles is lack of information/ advice on how to start an enterprise at 13%, the fifth obstacles when starting the business is lack of finding the right/ appropriate contacts for starting business venture at 8.6%, the last and final obstacles is combination of family and work life at 5.7%.

Table 4.16: women firm's Start-Up constraints

<b>Main constraints facing women for starting entrepreneurship</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Security problem	65	20.7	20.7
A question of self-confidence (believing in your abilities)	91	29.0	49.7
Financial questions (raising capital)	74	23.6	73.2
Lack of information / advice on how to start an enterprise	39	12.4	85.7
Finding the right contacts for your business venture	27	8.6	94.3
Combining family and work life	18	5.7	100.0
<b>Total</b>	<b>314</b>	<b>100.0</b>	

Source (primary. 2013)

#### **4.8.2.2. Constraints of post venture creation process faced by Somali women entrepreneurs**

As business challenges, the majority of women stated that they experience lack of security s (41.1%), followed by the combination of work and family life with (29.6%), liquidity and other financial problems (15.9%), Freedom of mobility (9.2%), whereas gaining acceptance/respect of people (Internally and externally) stated (13.2%) while other factor may challenge the women entrepreneurs represented (1%).

Table 4.17: women firm's constraints after running the business

<b>Main constraints facing women after running entrepreneurship</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
lack of security	129	41.1	41.1
Combining family and work life	93	29.6	70.7
Liquidity and other financial problems	50	15.9	86.6
Freedom of mobility	29	9.2	95.9
Gaining the acceptance / respect of people (internally and externally)	10	3.2	99.0
Others	3	1.0	100.0
<b>Total</b>	<b>314</b>	<b>100.0</b>	

#### **4.8.2.3. Gender and social-cultural barriers faced by Somali women entrepreneurs**

In this section, the researcher will present result of gender and social-cultural challenges environment using descriptive statistics especially mean and standard deviation. In the table 4-18, the mean 3.74 with std. deviation 1.159 shows that respondents agreed that Somali women give more emphasis to their motherly role and family / home responsibilities rather than venturing for a career / growth through 'entrepreneurship' and this will create conflict role; if she gives more time to family the business will not grow up and opposite is right.

The mean value of 3.60 states in the planning and settling career; women entrepreneurs would at best prefer safe risk job rather than setting and running new venture; this findings indicates that women respondents entered into field for pushing factors; may be death of husband or no jobs available.

Women entrepreneurs in Somalia stated that family obligations block them from initiating and becoming successful entrepreneurs with mean range (3.60; stand deviation 1.112). Where the value mean of 3.64 shows that the financial institutions are generally skeptical about the entrepreneurial seriousness & abilities of women entrepreneurs.

As a result, the women entrepreneurs are suffering from inadequate financial resources and working capital. The mean of 3.56 Although implies women managers & executives are proving to be more & more effective at their work places, they are still not considered efficient enough to handle Labor & logistic issues as efficiently in self-owned business enterprises. They would prefer men to handle such issues.

The survey shows male domination in the entire business & entrepreneurship area also works as a hurdle for women entrepreneurs to pursue venture with mean

value (3.63; stand deviation 1.092); the respondents agreed (mean: 3.66; stand deviation of 1.142) that negative social attitude towards women in business. In the table below, the mean average 3.63 shows that women entrepreneurs face Sexual harassment in field of entrepreneurship while they in the business, market or travelling to the regions for seeking their entrepreneurship success.

The mean value of 3.51 specifies that the public and private educational Institutions & even Government agencies are doing little to promote entrepreneurship amongst women particularly. The scored mean of 3.49 shows that women would prefer to be active partner entrepreneurs with their spouses & provide necessary support rather than initiating & running a business enterprise entirely on their own but I observed that most occur in the startup time for entrepreneurship when little known about the market functions.

The mean value of 3.64 states that the larger number of women does not have much needed financial independence that would enable them to conceive plan & execute a business plan independently; this means women financially dependent on their spouses.

The mean value 3.65 shows that the Lack of self-confidence: will-power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while doing their piece of work. Respondents agreed that the educational level and family background of husbands also influences women participation in the field of enterprise as mean value of 3.72 shown in the below table below.

On the other hand, the below table also indicated that, other challenges those are facing women entrepreneurs in Somalia. Insufficient skills about managing



financial issues and security and political issues such as kidnapping and raping with mean values (3.80, 3.72).

Finally as shown in table (5-18) the highest mean value 3.85 stated that Gender discrimination is major challenge to Somali women entrepreneurs, been a women is challenge to start entrepreneurship in Somalia.

Table 4.18: Gender socio-cultural barriers

<b>NO</b>	<b>Variables</b>	<b>Mean</b>	<b>SD</b>	<b>Interpretation</b>
1.	Somali women give more emphasis to their motherly role and family / home responsibilities rather than venturing for a career / growth through entrepreneurship ( <b>Role conflict</b> )	3.75	1.159	<b>Agree</b>
2.	Women's family obligations also bar them from initiating & becoming successful entrepreneurs.	3.60	1.112	<b>Agree</b>
3.	Financial institutions are generally skeptical about the entrepreneurial seriousness & abilities of women entrepreneurs. As a result, the women entrepreneurs are suffering from inadequate financial resources and working capital.	3.64	1.085	<b>Agree</b>
4.	Negative social attitude towards women in business	3.56	1.135	<b>Agree</b>
5.	The overall male domination in the entire business & entrepreneurship area also works as a hurdle for women entrepreneurs	3.63	1.092	<b>Agree</b>
6.	It is believed that lack of proper knowledge about availability of raw materials & low-level negotiation and bargaining skills are also factors, which affect women entrepreneurs' business adventures.	3.66	1.142	<b>Agree</b>
7.	Women entrepreneurs face Sexual harassment in field of entrepreneurship.	3.63	1.144	<b>Agree</b>
8.	Educational Institutions & even Govt. agencies are doing little to promote entrepreneurship amongst women particularly.	3.51	1.111	<b>Agree</b>
9.	Women would perhaps prefer to be active partner entrepreneurs with their spouses & provide necessary support rather than initiating & running a business enterprise entirely on their own.	3.49	1.209	<b>Agree</b>
10.	Larger number of women does not have much needed financial independence that would enable them to conceive, plan & execute a business plan independently.	3.64	1.110	<b>Agree</b>

Table continues

Table 4-18 (continued)

<b>NO</b>	<b>Variables</b>	<b>Mean</b>	<b>SD</b>	<b>Interpretation</b>
11.	Lack of self-confidence: will-power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while doing their piece of work.	3.65	1.068	<b>Agree</b>
12.	The educational level and family background of husbands also influences women participation in the field of entrepreneurship.	3.72	1.172	<b>Agree</b>
13.	Lack of Proper Financial Management skills	3.80	1.139	<b>Agree</b>
14.	Many of Somali women face security challenge after the Government collapsed, they face kidnapping and raping this constrained the business traveling and Networking.	3.72	1.136	<b>Agree</b>
15.	Gender discrimination is major challenge to Somali women entrepreneurs	3.85	1.108	<b>Agree</b>
<b>Overall mean</b>		<b>3.17</b>	<b>1.128</b>	

Primary source, 2013

### **4.8.3. RQ4: Does Somali women owned MSE adopt a strong Entrepreneurial Orientation?**

A one- sample t-test was run to determine whether Somali women owned and managed small enterprises adopt entrepreneurial orientation. The below table (4-19) presented, mean value and standard Deviation, observed t-value ("t" column), the degrees of freedom ("df"), and the statistical significance (p-value) ("Sig. (2-tailed)") of the one-sample t-test In this example,  $p < .05$  (it is  $p = .000$ ).

Therefore, it can be concluded that the population means are statistically significantly different. If  $p > .05$ , the difference between the sample-estimated population mean and the comparison population mean would not be statistically significantly different.

The table also reports that  $t = 21.028$  ("t" column) and that there are 313 degrees of freedom ("df" column) for innovation while  $t=17.458$ ,  $df=313$  and  $p=0.000$  for Pro-activeness and this indicates that Somali women's probability of obtaining and adopting strong entrepreneurial orientation is correct.

Table 4.19: One-Sample t-test for innovation and Pro-activeness

Variable	Na	Mean	Std. Deviation	T	df	Sig. (2-tailed)
Innovation	314	3.21	1.021	21.028	313	.000
Pro-activeness	314	2.97	.981	17.458	313	.000

Source (primary data, 2013)

#### **4.8.4. RQ5: Does a Somali women entrepreneur perform well financially and non-financially indicators?**

Performance is act of performing; doing things successfully. Performance refers to the ability to operate efficiently, profitability, survive, grow and react to the environmental opportunities and threats (Stoner, 2003 cited by Mawand, 2008). Sollenberg& Anderson (1995) asserted that, performance is measured by how efficient the enterprise is in use of resources in achieving its objectives. In the literature, there is a debate on whether women perform well or not; current research question investigates if Somali women entrepreneurs perform good using financial and non-financial indicators. To analyze this question the researcher used one-sample t-test for firm financial performance indicators (profitability and liquidity) and non-financial performance measurements.

According to table 4-20, Somali women entrepreneurs perform well financially and non-financial. The table reports that  $t = 32.627$  ("t" column) and that there are 314 degrees of freedom ("df" column) for firm financial performance indicators while  $t=32.823$ ,  $df=314$  and  $p=0.000$  non-financial performance indicators. Moreover, non-financial performance ( $M=3.66$ ,  $SD=.894$ ) was higher than the financial performance ( $M=3.39$ ,  $SD=.756$ ). It means that Somali women focused more on non-financial dimensions such as new product development, market share and customer satisfaction.

Table 4.20: One-Sample t-test for financial performance and non-financial performance indicators

Variable	Na	Mean	SD	T	df	Sig. (2-tailed)
Financial performance	314	3.39	.756	32.627	313	.000
Non- Financial performance	314	3.66	.894	32.823	313	.000

Source (primary Data,2013)

#### 4.9. CORRELATION BETWEEN ALL THE RESEARCH VARIABLES

Zero-order correlation was conducted for the dimensions of entrepreneurial orientation and firm performance using Bivariate correlations. As shown in table (4-21), firm financial performance was significantly and positively correlated with Innovation ( $r=.417$ ,  $p=.000$ ), Pro-activeness ( $r=.496$ ,  $p=.000$ ) and firm non-financial performance ( $r=.556$ ,  $p=.000$ ). Moreover, firm non-financial performance was significant, positively correlated with the two dimensions of entrepreneurial orientation, namely innovation ( $r=.253$ ,  $p=.001$ ) and Pro-activeness ( $r=.289$ ,  $p=.000$ ). On the other hand, there were significant relationships among all dimensions of entrepreneurial orientation dimensions, Innovation had significant positive and moderate relationship with Pro-activeness ( $r=.510$ ,  $p=.000$ ).

Entrepreneurial orientations (EO) as the dependent variable suppose to have correlation with environmental determinants as the independent variables. The results of Bivariate correlation depicted a consequential relationship of independent variables as shows in below table, such as environmental hostility ( $r=.320$ ,  $p=.000$ ), environmental heterogeneity ( $r=.331$ ,  $p=.000$ ), and environmental dynamism ( $r=.205$ ,  $p=.000$ ) with the entrepreneurial

orientation. In addition, momentous correlations among the three independent variables were observed, which shows that they are measuring the proposed concepts.

As shown in table (4-21), the dependent variable in this study (firm performance) is considerably and positively correlated with three independent variables, namely Dynamism ( $r=.258, p=.000$ ), hostility ( $r=.578, p=.000$ ) and heterogeneity ( $r=.595, p=.000$ ). Moreover, there were significant correlations among the moderating variables. For instance, Environmental hostility was substantially and moderately correlated with environmental heterogeneity ( $r=.565, p=.000$ ), and Environmental dynamism was significantly and weakly correlated with hostility ( $r=.219, p=.000$ ). Whereas this variable had also a weak relationship with heterogeneity ( $r=.267, p=.000$ ).

Table 4.21: Zero-order correlation for all variables

No	Variables	1	2	3	4	5	6	7	8	9
1.	Innovation	1								
2.	Pro-activeness	.510**	1							
3.	Firm Financial performance	.417**	.496**	1						
4.	Firm Non-financial performance	.253*	.298**	.556**	1					
5.	Entrepreneurial orientations	.874**	.863**	.525**	.311**	1				
6.	Hostility	.215*	.343*	.544**	.481**	.320**	1			
7.	Heterogeneity	.229*	.348*	.584**	.476**	.331**	.565	1		
8.	Dynamism	.182**	.175**	.296**	.170*	.205*	.219*	.267*	1	
9.	Firm performance	.372**	.434**	.860**	.902**	.463**	.578**	.595**	.258**	1

\*\* p < .01 \* p < .05, source (Primary Data, 2013)

## **4.10. Hypothesis Test**

The analysis of the entrepreneurial orientation, firm performance and environmental determinants relationship via multiple and moderated regression analysis stands at the core of this research.

The regression assumptions were checked before proceeding to further analysis. The dependent variable in this study (firm performance) was normally distributed across all independent variables. The linearity, Collinearity, and outliers were also checked. Therefore, no violations were observed.

### **4.10.1. *Entrepreneurial orientation and firm performance***

This section thought to investigate the effect of entrepreneurial orientation dimensions namely, innovation, Pro-activeness and risk-taking propensity on the firm performance dimensions. Six hypotheses were developed based on the literature but factor analysis proposed two factor of Entrepreneurial orientation (EO) so we will test four hypotheses only as shown in Exhibit 4-1 below. In order to test these hypotheses, a linear multiple regression analysis was conducted to get the best predictor.

**H1.1:** *Innovativeness has significance a positive effect on firm financial performance.*

**H1.2:** *Innovativeness has significance a positive effect on firm non-financial performance.*

**H1.3:** *Pro-activeness has significance a positive effect on firm financial performance.*

**H1.4:** *Pro-activeness has significance a positive effect on firm non-financial performance.*

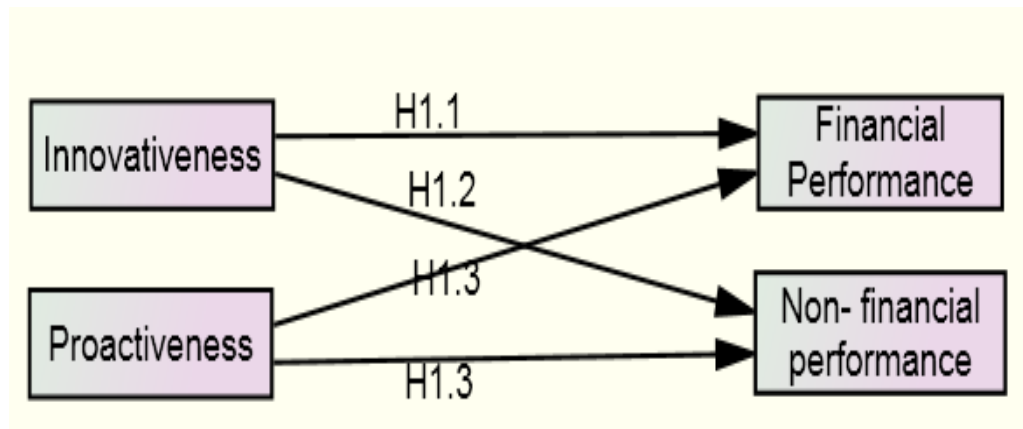


Figure 4.8: EO and FP

Regression analysis was used to test the relationship between innovation and firm financial performance (H1.1), the regression analysis result in Table (4-22) indicates that innovation has positive and significance influence on financial performance of women entrepreneurs ( $\beta=.222$ ,  $t=3.978$ ,  $p=.000$ ), therefore, this findings supports H1. Also the below table shows that (H1.3) Pro-activeness has positive influence on firm financial performance ( $\beta=.383$ ,  $t=6.849$ ,  $p=.000$ ).

The results of Step-Wise regression analysis suggested that pro-activeness of women owned and managed enterprises ( $R=49.6\%$ ) was the best predictor of the firm financial performance. This means if women entrepreneurs in Somalia focused and invested to become proactive this will contribute the financial performance of their enterprises.



Table 4.22: Multiple Regressions: Innovation and Pro-activeness on the firm financial performance

Predictors	B	T	Sig	Collinearity statistics	
				Tolerance	VIF
Innovation	.222	3.978	.000	.740	1.352
Pro-activeness	.383	6.849	.000	.740	1.352

R=.531, R<sup>2</sup>= .282, R<sup>2</sup> adjusted= .278, p=.000. Source (primary Data, 2013)

The second hypothesis of this section (H1.2) assumed that the Innovativeness had significance a positive effect on firm non-financial performance. The results of regression analysis admitted innovativeness ( $\beta=.144$ ,  $t= 2.293$ ,  $p=.023$ ) statistically predicted the non-financial performance indicators of firms owned by women in Somalia the H1.2 supported. However, the fourth hypothesis of this model (H1.4), which suggests that pro-activeness will have statistically significant positive influence on non-financial indicators of firms owned by women entrepreneurs in Somalia, was fully supported as shown in table (4-23).

The results revealed that this variable had statistically significant impact ( $\beta=.215$ ,  $t= 3.440$ ,  $p=.001$ ) on the firm non-financial performance. All the entrepreneurial orientation dimensions ( $R^2=.099$ ) managed to explain around 10% of variance in the criterion variable (firm non-financial performance).

Table 4.23: Multiple Regressions: Innovation and Pro-activeness on the firm non-financial performance

Predictors	B	T	Sig	Collinearity statistics	
				Tolerance	VIF
Innovation	.144	2.293	.023	.740	1.352
Pro-activeness	.215	3.440	.001	.740	1.352

R=.314, R<sup>2</sup>= .099, R<sup>2</sup> adjusted= .093, p<0.05, Source (primary Data, 2013)

#### 4.10.2. *Environment determinants and Entrepreneurial orientation*

Literature suggest relationship between external environmental variables and entrepreneurial orientation, from literature we developed three hypotheses as shown in Exhibit 4.2 below.

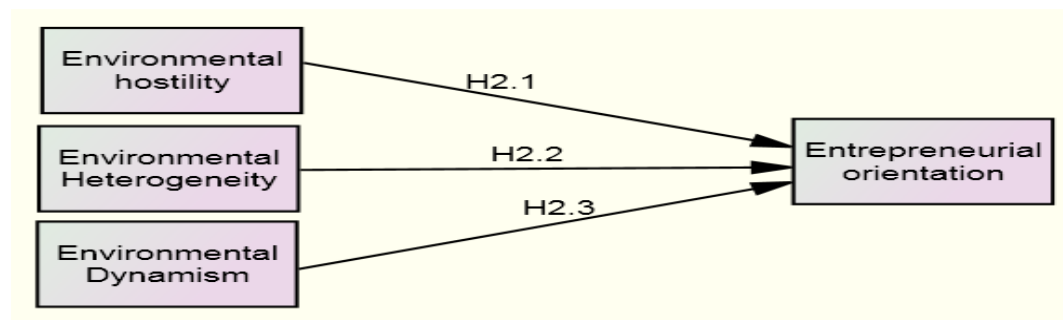


Figure 4.9: ED and EO

**H2.1:** *Environmental hostility (EH) has a positive effect on entrepreneurial orientation.*

**H2.2:** *Environmental Heterogeneity has a positive effect on entrepreneurial orientation.*

**H2.3:** *Environmental Dynamism has a positive effect on entrepreneurial orientation.*

To test these hypotheses, multiple regression analysis was used. The results of three independent variables against one dependent variable can be seen in Table 4-24. In the model summary,  $R=.384$  is the correlation of the three independent variables with the dependent variable. Over all variability of all independent variables over dependent variable (R-Square) is observed as 0.147 or 14.7%. In other words these three independent variables environmental dynamism, environmental hostility and environmental heterogeneity, together explain 15% of the variance in the entrepreneurial orientation.

The table 4-24 shows, Coefficients indicates that among the three independent variables which has most significant influence on entrepreneurial orientation. It can be stated that the highest number in the beta is 0.197 for the environmental heterogeneity, which is significant at 0.002 levels. It may also be seen that the beta is 0.184 for Environmental hostility, significant at 0.004 levels. The positive Beta weight indicates that if entrepreneurial orientation is to be improved, it is essential to enhance the level of environmental hostility and environmental heterogeneity while environmental dynamism has also significance relationship with entrepreneurial orientation ( $\beta=.113$ ,  $t= 2.063$ ,  $p=.040$ ). . At the end it is concluded that three independent variables, environmental hostility and environmental heterogeneity have positive and significant influence on entrepreneurial orientation, the (H2.1, H2.2 and H2.3) was fully supported.

Table 4.24: Multiple Regressions: Environmental hostility, heterogeneity and dynamism on Entrepreneurial orientation

Predictors	B	T	Sig	Collinearity statistics	
				Tolerance	VIF
Environmental hostility	.184	2.883	.004	.676	1.480
Environmental heterogeneity	.197	3.050	.002	.659	1.517
Environmental dynamism	.113	2.063	.040	.922	1.085

R=.384, R<sup>2</sup>= .147, R<sup>2</sup> adjusted= .138, p<0.05, Source (Primary Data, 2013)

The Table (4-24) also reveals the multicollinearity diagnostic between dependent and independent variables. There is no multicollinearity among the variables. The size of the *Variance Inflation factor (VIF)* analyze the magnitude of multicollinearity problem .A common rule of thumb is that if VIF> 5 then multicollinearity is high, Also 10 has been proposed as a cut off value (Kutner ,Nachtsheim, Neter ,2004).In below Table, VIF values are in range of 1.00 to 1.6 which shows there is no Multi Collinearity issue in stated variables.

#### **4.10.3. Environmental determinants and Firm performance**

Exhibit4-3propose relationship between environmental determinants and firm performance, through using multiple and simple regressions analysis, significant effects were found between Environmental hostility, environmental heterogeneity and firm performance while environmental dynamism has no significant relationship with firm performance.

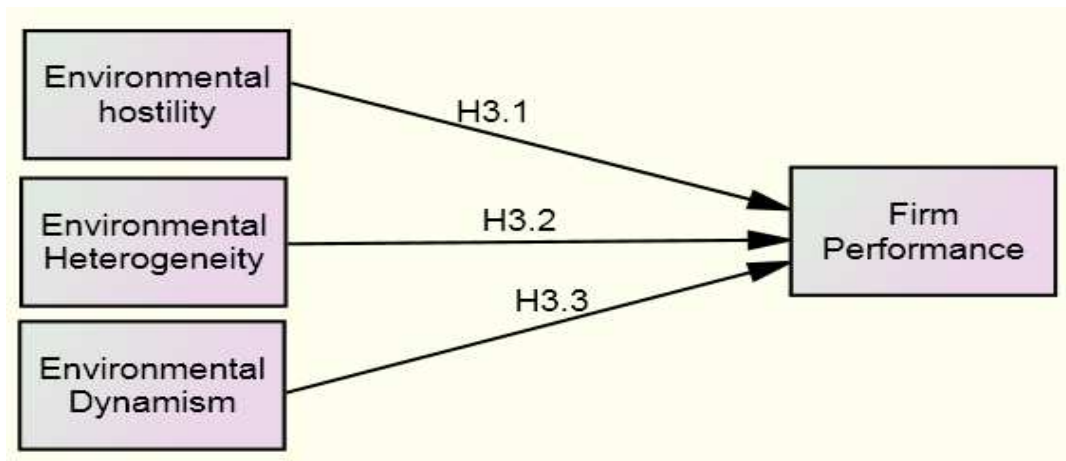


Figure 4.10: ED and FP

**H3.1:** *Environmental hostility has significant positive effect on firm performance.*

**H3.2:** *Environmental heterogeneity has significant positive effect on firm*

*performance.*

**H3.3:** *Environmental dynamism has significant positive effect on firm performance.*

To examine the first hypothesis in this model, multiple regression analysis was used by considering firm performance as the dependent variable, and the Environmental hostility as independent variables.

H3.1 posited that environmental hostility has significant positive effect on the performance of women owned and managed business in Somalia. The results of regression analysis shown in table (4-25) revealed that this construct yielded significant and positive effect on firm performance ( $\beta=.346$ ,  $t=6.731$ ,  $p=.000$ ). Therefore, H3.1 was fully supported.

H3.2 proposed that environmental heterogeneity have significant positive effect on the performance of women owned and managed business in Somalia. This hypotheses was accepted and supported by the empirical data ( $\beta=.378$ ,  $t=7.262$ ,  $p=.000$ ). The last hypothesis indicates that environmental dynamism has statistically significant impact on the firm performance of women owned and managed business in Somalia. The results of the multiple regression analysis showed that this construct

had no significant effect ( $\beta=.082$ ,  $t= 1.853$ ,  $p=.065$ ) on the firm performance, so H3.3 Rejected.

It is remarkable that these three variables environmental dynamism, environmental hostility and environmental heterogeneity, together explain 45% of the variance in the firm performance owned by Somalia women. The below Table (4-25) also reveals the multicollinearity diagnostic between dependent and independent variables and shows that there is no multicollinearity between the variables.

Table 4.25: Multiple Regressions: Environmental hostility, heterogeneity and dynamism on firm performance

Predictors	B	T	Sig	Collinearity statistics	
				Tolerance	VIF
Environmental hostility	.346	6.731	.000	.676	1.480
Environmental heterogeneity	.378	7.262	.000	.659	1.517
Environmental dynamism	.082	1.853	.065	.922	1.085

$R=.668$ ,  $R^2= .446$ ,  $R^2$  adjusted= .5441,  $p<0.05$ , Source (Primary Data, 2013)

#### 4.10.4. Moderating Test

A moderator variable is one that affects the relationship between two variables, so that the nature of the impact of the predictor on the criterion varies according to the level or value of the moderator (Holmbeck, 1997). A moderator interacts with the predictor variable in such a way as to have an impact on the level of the dependent variable.

A moderator variable is a variable that changes the relationship between the independent and the dependent variable. Sekaran (2003) terms it as one that has a strong contingent effect on the independent-dependent variable relationship. It can be in 2 forms, first is it changes the strength of the relationship, second it changes the form of the relationship. It is also called as a contingent variable, which points to the

fact that the relationship between the independent (IV) and the dependent (DV) variable is contingent on the moderator variable (MV).

Baron and Kenny(1986, p.1174, 1178) describe a moderator variable as the following:

*“A qualitative (e.g., sex, race, class) or quantitative variable . . . that affects the direction and/or strength of a relation between an independent or predictor variable and a dependent or criterion variable . . . a basic moderator effect can be presented as an interaction between a focal independent variable and a factor (the moderator) that specifies the appropriate conditions for its operation.”*

The current study we proposed three moderating variable will influence the relationship between independent variable and dependent variable as shown in *Figure 4.4*.

To test the moderator effect model a hierarchical regression is used to determine what proportion of the variance in a particular variable is explained by other variables when these variables are entered into the regression analysis in a certain order and whether these proportions are significantly greater than would be expected by chance (Cramer, 2003). Hierarchical regression has been advocated as a more appropriate method for determining whether a quantitative variable has a moderating effect on the relationship between two other quantitative variables (Baron & Kenny, 1986). A moderator specifies the conditions under which a given effect occurs, as well as the conditions under which the direction or strength of an effect vary.

**For testing purposes, a 3 step hierarchical regression will be conducted.**

In the first step the direct effect of the independent variables will be gauged, in the second step the moderator variable will be entered to gauge whether the moderator has a significant direct impact on the dependent variable and in the third step the interaction terms (the product of the independent variable and the moderator variable) will be entered to see the additional variance explained.

For moderator influence to be presented in the Step 3 must show significant R2 increase with a significant F change value. Once Step 3 shows a significant R2 increase then we can conclude that there is moderation effect.

**H4.1** *There is positive moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance.*

Environmental dynamism also called as “environmental variability or volatility, its perceived frequency of change in market or industry, examples of environmental dynamism is changes in technology, customer preferences and competitive actions.

To test the indication that There is positive moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance, to test this hypothesis we employed hierarchical regression to see if there is moderation or not. One of the important criteria for assessment of the moderation is the amount of additional variance explained by the interaction terms.



Table 4.26: Model Summary of E-Dynamism interaction with EO and FP

Model	R	R Square	Adjusted R Square	SE of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.463 <sup>a</sup>	.215	.212	.647	.215	85.288	1	312	.000
2	.492 <sup>b</sup>	.242	.238	.636	.028	11.391	1	311	.001
3	.505 <sup>c</sup>	.255	.248	.632	.013	5.265	1	310	.022

The 1st model gives the results of the impact of Entrepreneurial orientation (IV) on firm performance (DV), the 2nd model gives the results of the impact of the environmental dynamism (moderator) on the firm performance (as if it is a predictor variable) and the 3rd model gives us the results of the impact of the interaction terms. The  $R^2$  change must be significant and to ascertain this we look at the “Sig. F Change” this will tell us if the  $R^2$  change is sufficient, the p value should be less than 0.05 to be significant. Here the p-value  $0.022 < 0.05$  as such there is indication of moderation effect.

The results of the model 1 are consistent with previous studies, showing a positive effect of EO in the performance of the firm ( $\beta = 0.463$ ,  $p = 0.000$ ), and EO variable explains the additional variance ( $\Delta R^2 = 0.215$ ,  $p < 0.01$ ). when proposed ED in Model 2 the relationship between EO and firm performance decreased, and this indication when environment is dynamic the entrepreneurial orientation will effect less on firm performance, In Model 3, adding the ED variable increases the variance explained ( $\Delta R^2 = 0.255$ ,  $p < 0.01$ ), suggesting that this factor also affects the performance of the firm.

Table 4.27: Hierarchical Regression: Moderating of Environmental Dynamism on the Relationship between EO and Firm Performance

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.326	.135		17.250	.000
EO	.388	.042	.463	9.235	.000
2 (Constant)	2.025	.160		12.669	.000
EO	.359	.042	.428	8.494	.000
Dynamism	.124	.037	.170	3.375	.001
3 (Constant)	1.181	.401		2.947	.003
EO	.639	.129	.763	4.951	.000
Dynamism	.412	.131	.565	3.154	.002
EO_ED	-.094	.041	-.578	-2.294	.022

a. Dependent Variable: Firm Performance

Figure 4-8 below shows the moderating effect of Environmental dynamism on the relationship between Entrepreneurial orientation and firm performance, the figure indicates that when women entrepreneurship faces low level of environmental dynamism the relationship between entrepreneurial orientation and firm performance positively increase and opposite is right.

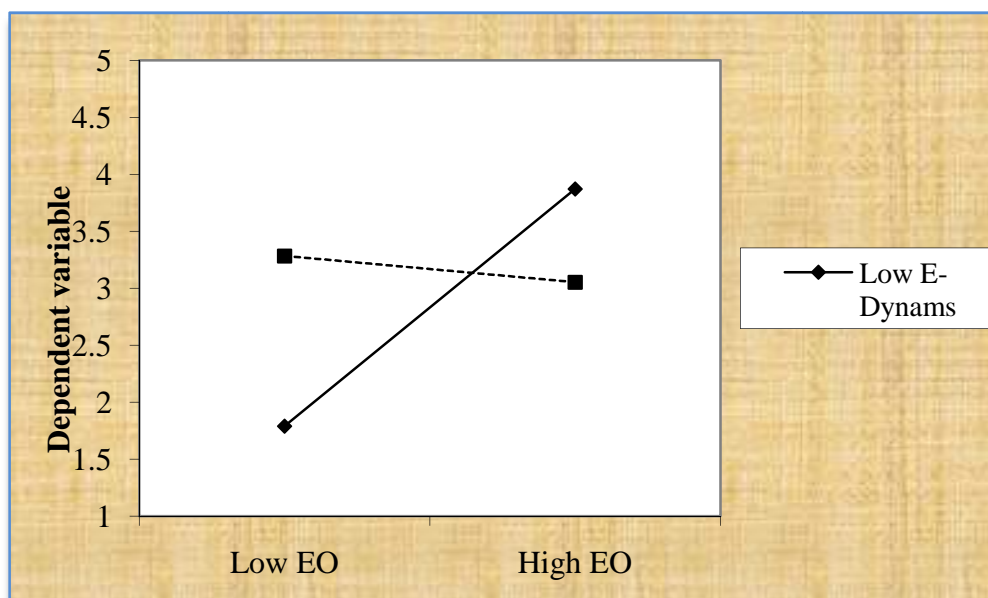


Figure 4.11 Interaction Graph, E-dynamics, EO and firm performance

The hypothesis (H4.1) in this study predicts a positive moderating effect of Environmental dynamism (ED) on the relationship between EO and firm performance. To test this hypothesis, the interaction effect between EO and ED was added. Model 3 reveals a negative and significant interaction effect of ED on the relationship between EO and performance of the firm ( $\beta = -0.578$ ,  $p < 0.05$ ), which is not supporting the hypothesis of the investigation.

**H4.2:** *There is positive moderating effect of environmental hostility on the relationship between entrepreneurial orientation and firm performance.*

Environmental hostility predicts the diversity in customers' needs and buying behavior; other names of EH are "environmental complexity, diversity and segmentation". Hostile environment creates challenges for women entrepreneurs to maintain abroad line of products in order to meet the customer diverse needs because of their micro and small enterprises.

Table 4.28: Model Summary of E-hostility interaction with EO and FP

Model	R	Change Statistics							
		R Square	Adjusted R Square	Std. Error of the Estimate	R	F		Sig. F	
					Square Change	df1	df2	Change	Change
1	.463 <sup>a</sup>	.215	.212	.647	.215	85.288	1	312	.000
2	.648 <sup>b</sup>	.420	.416	.556	.205	110.149	1	311	.000
3	.664 <sup>c</sup>	.441	.436	.547	.021	11.725	1	310	.001

a. Predictors: (Constant), EO, b. Predictors: (Constant), EO, Hostility, c. Predictors: (Constant), EO, Hostility, EO\_EH

The second hypothesis of moderation effect of relationship between entrepreneurial orientation and firm performance was environmental hostility; we declare negative moderating impact on the relationship between IV and DV. To test this hypothesis researcher also used hierarchical regression.

First, one of the important criteria for measurement of the moderation is the amount of additional variance explained by the interaction terms, in model summary the variance explained by the model 1 was around 21%, in model 2 was 42% while the interaction model was 44% and this is indication of Environmental hostility has moderating effect of relationship between EO and firm performance.

Second we have to check if the R square change is significant, if the model 3 is not significant there is no moderation affect as pointed in literature, we check at the “Sig. F Change” this will tell us if the R2 change is sufficient, the p value should be less than 0.05 to be significant. Here the p-value  $0.001 < 0.05$  as such there is indication of moderation effect.

Table 4.29: Hierarchical Regression: Moderating of Environmental Hostility on the Relationship between EO and Firm Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.326	.135		17.250	.000
	EO	.388	.042	.463	9.235	.000
2	(Constant)	1.474	.142		10.414	.000
	EO	.260	.038	.310	6.808	.000
	Hostility	.357	.034	.478	10.495	.000
3	(Constant)	.210	.395		.531	.596
	EO	.714	.138	.853	5.180	.000
	Hostility	.708	.108	.948	6.568	.000
	EO_EH	-.123	.036	-.836	-3.424	.001

a. Dependent Variable: Firm Performance

Third, Coefficient table, model 1 proposed the relationship between entrepreneurial orientation and firm performance, the relationship is also positive as mentioned before and the outcome supports the literature, but when added environmental hostility in model 2, the relationship between EO and FP decreased ( $\beta = -0.310$ ,  $p = 0.000$ ), in Model 3 interaction variable was proceeded and there is indication of highly negative moderating effect on the relationship between EO and firm performance ( $\beta = -0.836$ ,  $p < 0.01$ ), so H4.2 was Rejected.

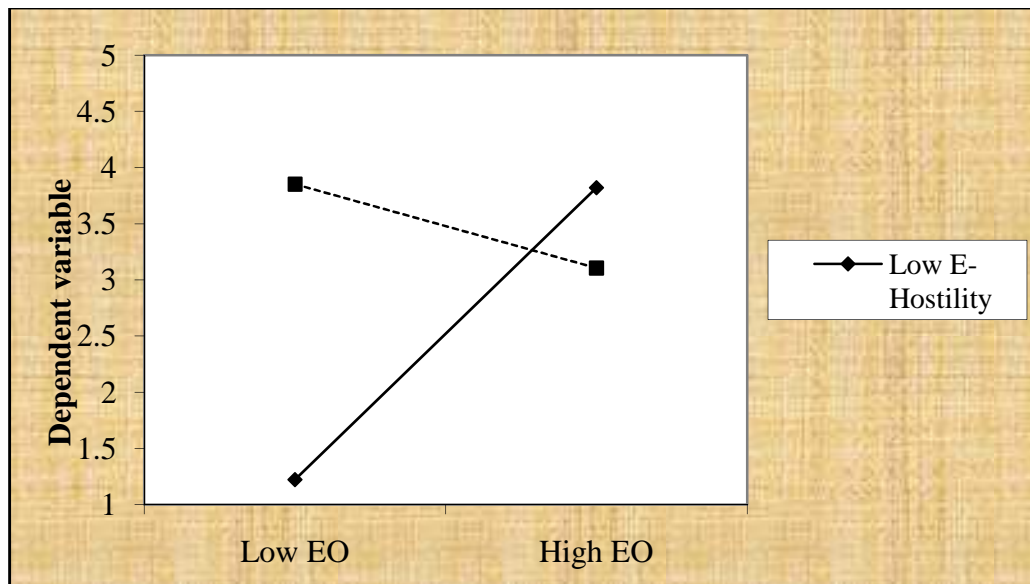


Figure 4.12: Interaction Graph, E-Hostility, EO and firm performance

The figure (4.9) above shows the moderating role of environmental hostility on relationship between entrepreneurial orientation and firm performance, it can be read that a firm facing high level of hostile environment indicates low relationship between entrepreneurial orientation and firm performance. However the moderating range of environmental hostility drastically develops the firm performance.

**H4.3:** *There is positive moderating effect of environmental heterogeneity on the relationship between entrepreneurial orientation and firm performance.*

To test the indication of moderation effect of this hypothesis we preceded hierarchical regression, in model summary the variance explained by the model 1 was around 21%, in model 2 was 43.4% while the interaction model was 45.1% and this is indication of Environmental heterogeneity has moderating effect of relationship between EO and firm performance.

Second in this model the R square change is significant and is sufficient, the p value should be less than 0.05 to be significant. Here the p-value  $0.002 < 0.05$  as such there is indication of moderation effect.

Table 4.30: Model Summary of E-heterogeneity interaction with EO and FP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.463 <sup>a</sup>	.215	.212	.647	.215	85.288	1	312	.000
2	.659 <sup>b</sup>	.434	.431	.550	.219	120.624	1	311	.000
3	.672 <sup>c</sup>	.451	.446	.542	.017	9.480	1	310	.002

a. Predictors: (Constant), EO, b. Predictors: (Constant), EO, Heterogeneity, c. Predictors: (Constant), EO, Heterogeneity, EO\_EHE

As shown in table 4-31 below Coefficient table, model one indicates the relationship between entrepreneurial orientation and firm performance, there is positive relationship between EO and FP ( $\beta = 0.463$ ,  $p = 0.000$ ), but when added environmental heterogeneity like others in model two, the relationship between EO and FP decreased more than sixty percent ( $\beta = 0.299$ ,  $p = 0.000$ ), in Model 3 interaction variable was preceded and there is indication of negative moderating effect on the relationship between EO and firm performance ( $\beta = -0.685$ ,  $p < 0.02$ ), so H4.3 was Rejected.

Table 4.31: Hierarchical Regression: Moderating of Environmental heterogeneity on the Relationship between EO and Firm Performance

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.326	.135		17.250	.000
EO	.388	.042	.463	9.235	.000
2 (Constant)	1.526	.136		11.242	.000
EO	.250	.038	.299	6.614	.000
Heterogeneity	.350	.032	.496	10.983	.000
3 (Constant)	.561	.341		1.647	.101
EO	.608	.122	.726	4.982	.000
Heterogeneity	.629	.096	.893	6.554	.000
EO_EHE	-.101	.033	-.685	-3.079	.002

a. Dependent Variable: Firm Performance

The figure below (4-10) demonstrates the moderating influence of environmental heterogeneity on relation between entrepreneurial orientation and firm performance, the result indicates that firms that are faced low level of environmental heterogeneity will impact on high level of entrepreneurial orientation and firm performance relationship.

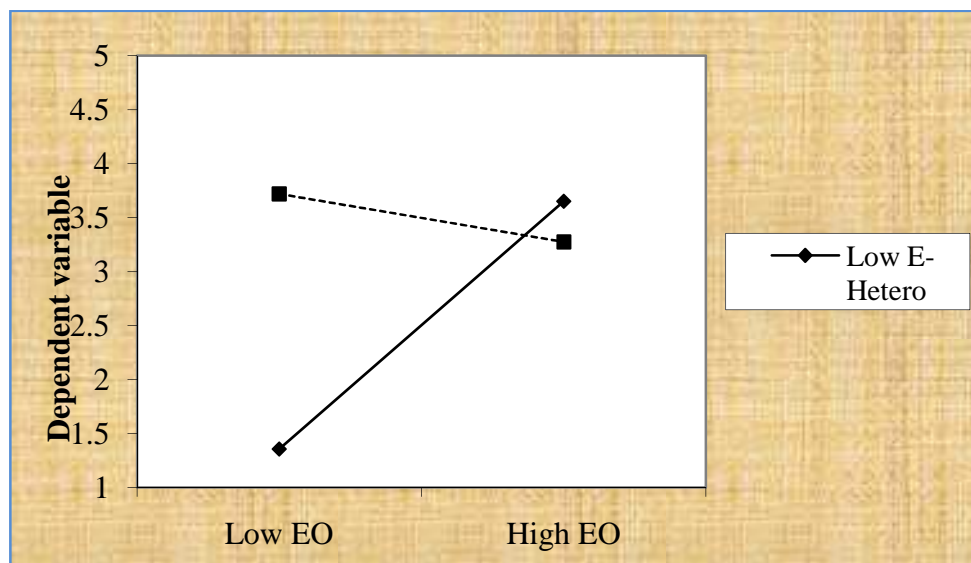


Figure 4.13: Interaction Graph, E-Heterogeneity, EO and firm performance

#### **4.10.5. *Summary of hypothesis test***

Table 4.32 shows the summary of the hypotheses related to the Entrepreneurial orientation and firm performance, the moderating effect of environmental determinants, we tested thirteen hypothesis in four different model, first model was the relationship between independent variables such as Innovativeness (H1.1, H1.2) and Pro-activeness (H1.3, H1.4) with dependent variable which was firm performance and has a two dimensions, financial and non-financial performance indicators. The four hypothesis of this model was accepted.

The second model to test the relationship between the moderating variables (Environmental Determinants) such as dynamism, hostility and heterogeneity to Entrepreneurial orientation which this model was dependent variable, this model had three hypotheses (H2.1, H2.2 and H2.3) which all accepted.

The third model was to test the relationship between the moderating variables and firm performance as dependent variable, the literature revealed three hypotheses for this model which indicates that if entrepreneur managed the environmental determinants this will influence of firm performance, the model contained (H3.1, H3.2 and H3.3), we found that environmental hostility and heterogeneity had influence on firm performance owned by Somali women then H3.1 and H3.2 were accepted while environmental dynamism had no significance positive influence of firm performance, then H3.3 was rejected.

The fourth which is last model in this study, according to the different findings on the literature on relationship between entrepreneurial orientation and firm performance which some found positive influence, some not found, some found weak relationship and some found highly relationship which is the majority of studies, so we proposed the moderating variable which influence the relationship



between the EO and FP, we tested three Environmental variables which are hostility, heterogeneity and dynamism, the model had three hypothesis (H4.1, H4.2 and H4.3).

The literature propose positive moderating influence of Environmental determinants on the relationship between EO and FP, we found negative moderating influence so the all three proposed hypothesis was rejected.

Table 4.32: Summary of hypothesis

<b>H1</b>	<b>Entrepreneurial orientation has positive influence on form performance</b>	<b>Results</b>
<b>H1.1</b>	Innovativeness has positive effect on firm financial performance	Accepted
<b>H1.2</b>	Innovativeness has positive effect on firm Non-financial performance	Accepted
<b>H1.3</b>	Pro-activeness has positive effect on firm financial performance	Accepted
<b>H1.4</b>	Pro-activeness has positive effect on firm Non-financial performance	Accepted
<b>H2</b>	<b>Environmental Determinants has positive influence on entrepreneurial orientation</b>	
<b>H2.1</b>	Environmental hostility (EH) has a positive effect on entrepreneurial orientation.	Accepted
<b>H2.2</b>	Environmental Heterogeneity has a positive effect on entrepreneurial orientation.	Accepted
<b>H2.3</b>	Dynamism has a positive effect on entrepreneurial orientation	Accepted
<b>H3</b>	<b>Environmental Determinants has positive influence on Firm performance</b>	
<b>H3.1</b>	Environmental hostility has significant positive effect on firm performance.	Accepted
<b>H3.2</b>	Environmental heterogeneity has significant positive effect on firm performance.	Accepted
<b>H3.3</b>	Environmental dynamism has significant positive effect on firm performance	Rejected
<b>H4</b>	<b>Environmental determinants moderate positively the relationship between EO and Firm performance</b>	
<b>H4.1</b>	There is positive moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance	Rejected
<b>H4.2</b>	There is positive moderating effect of environmental hostility on the relationship between entrepreneurial orientation and firm performance.	Rejected
<b>H4.3</b>	There is positive moderating effect of environmental heterogeneity on the relationship between entrepreneurial orientation and firm performance	Rejected

## 4.11. Chapter Summary

The Data of this thesis collected from female enterprise owner and managers in four regions of Somalia, South central regions, Banadir, Puntland and Somaliland in North Somalia, the data was generated from 314 respondents, the respondent rate was 62%, first we test the normal distribution of data using different measurements such as Skewness and Kurtosis and result did not shows any serious of normality distribution of data. Different Data analysis techniques was used, first the factor analysis showed that the data was appropriate for factor analysis and suggested some items to remove and risk taking dimension was also removed.

To test the reliability and consistent of variables, Cronbach alpha was tested and indicated the all variables are internally consistent and reliable. One sample T-test was utilized to analyze if women owned enterprises in Somalia Adopt entrepreneurial orientation and if they are perform well, the analyze showed that those females owned and managed micro and small enterprises adopt entrepreneurial orientation and they perform well using financial and non-financial indicators.

Further analysis was taken place, to test the relationship between the variable, researcher utilized Bivariate correlations to determine the interrelationships of the variables. The researcher developed fifteen hypotheses to test the linear relationships; two hypotheses were removed as suggested factor analysis. Hierarchical regression was done to test the remaining research hypotheses.

The results of the tested hypotheses illustrated that (H1.1, H1.2, H1.3, H2.1, H2.2, H2.3, H3.1, H3.2,) were fully supported while H3.3 was rejected in the third model; Furthermore, the results of the hierarchical regression analysis confirmed negative moderating effect of environmental determinants on the relationship between Entrepreneurial orientation and firm performance.

# CHAPTER FIVE

## DISCUSSION AND CONCLUSIONS

### 5.1. Introduction

The final chapter is the conclusion and conclusions, section one will discuss the Recapitulation of the Major Findings, discussion of the results in section two, Theoretical implication in section three, Managerial implication in section four, limitations in section five, recommendation in section six and conclusion in section seven.

### 5.2. Recapitulation of the Major Findings

This section is summary of the major findings of the study and relates to the findings of previous studies when it possible, and will discuss more each findings on the next section. This study was basically proposed to identify the relationship between Entrepreneurial orientation and Firm performance in women owned and managed micro and small enterprises in Somalia. Further, the study was also tested the moderating influence of environmental determinants on the relationship between Entrepreneurial orientation, and firm performance.

The objectives of this study are 1) to find out the factors that motivating Somali women entrepreneurs to enter into entrepreneurship and constraints that crack their venturing. 2) To explore the socio-cultural barriers of facing Somali women entrepreneurs. 3) To investigate the relationship between entrepreneurial orientation dimensions and performance of Somali women owned enterprises. 4) To investigate the moderating role of environmental determinants on the relationship Among

Entrepreneurship orientation and business performance. Following are bullets of major findings with related literature support.

**1.** The first research question was to investigate the motivational factors of women entrepreneurs in Somalia, why they are enter into entrepreneurship? To accomplish this research question, the women entrepreneurs were asked to react to choose one out of several possible motivating factors of starting business. Data on this objective was analyzed under the question “which of the following was your main reason for starting your own business?”

The study revealed that the most motivating factor to inter into entrepreneurship was to income generation or economic opportunity, this is pushing factor and its compelling factors, the second and third factors were control and personal freedom to take their own decisions and self-employment (they don't want to work others) and this two factor are pulling factors and they are encouraging factors.

These findings are in line with most previous studies in motivational factor on underdeveloped countries such as the studies ofILO (2002)in Tanzania and ILO (2003b)in Pakistan which revealed women entrepreneurs are motivated by push and pull factors.

Push factors are to get money to cover the basic needs of the family, to increase the level of her income and contribute to her family, the study of Abdel Hafiez and Ali(2013)in Banadir region discovered that that women entrepreneurs in Banadir are motivated by the need for economic opportunity, the need for employment and the need to be in control.

In addition; Study about what motivates women entrepreneurs, which was conducted in Indonesia reveals that women are either motivated by push factors

which are death of husband, financial problem that face the entire family that the women entrepreneur is part of and problems related to financial issues. These women in this category are from low income families and they do not have formal education. The other type of women entrepreneurs is women who have basic education and wealthy family background and they are motivated by pull factors (Coughlin & Thomas, 2002).

2. The second Research Question was to investigate the challenges and constraints that split their entrepreneurship success, the study found that the start-up constraints were believing their entrepreneurship ability, questions of how to get financing and security and political instability in the country while still retaining the security problem after venture creation and became reality, after the starting the venture the most constraints were Combining family and work life, Liquidity and other financial problems and Freedom of mobility, this final was caused the insecurity situation in most south regions in country.

This finding has supported majority of the literature in area of women entrepreneurship challenges and constraints such as the report of United Nations (2006) which reported that lack of access to finance is most constraint of female entrepreneurship. Mayoux (2001) revealed many factors such as liquidity problems, management inexperience. Gould and Parzen (1990) also reported that factors constraints women entrepreneurs are lack business networks; lack of access to capital; discriminatory attitude of leaders; gender stereotypes while Abdel Hafiez and Ali (2013a) found Financial problem, family background and double role they are playing (one of their family and other for their business) are the most challenges women are facing. On the other hand, women entrepreneurs are dominant violence

such as kidnap and rape which caused the insecurity and political violence in country.

**3.**The third research question was to explore the Gender and socio-cultural barriers of facing Somali women entrepreneurs, the study found that Somali women entrepreneurs face gender-based discrimination to starting and growing their business including discriminatory of commercial credits from financial institutions, face Sexual harassment from workplace, Negative social attitude towards women in business and the overall male domination in the entire business & entrepreneurship area also works as a hurdle for women entrepreneurs. Furthermore they face challenges from Somali culture of motherhood which gives more intention to this role and women's family obligations also bar them from initiating & becoming successful entrepreneurs because of that women would perhaps prefer to be active partner entrepreneurs with their spouses & provide necessary support rather than initiating & running a business enterprise entirely on their own. These barriers of Social and cultural are seriously obstruct the economic potential of women as entrepreneurs and have an evident negative impact on enterprise development, productivity, and competitiveness, and reduce the growth potential of the country as a whole.

Other Researchers found similar findings and they claim that family issues such as giving proper time and fulfilling family responsibilities are the chief issues confronted by them(Rao, Rao, & Ganesh, 2011). Another inquiry supported the findings that women are mainly impelled to be the home makers(Roomi & Parrott (2008). Whereas Ullah, Ahmad, Manzoor, Hussain, and Farooq(2012) highlighted that male dominance in culture creates problems for female entrepreneurs in terms of limiting their mobility, business participation and market interactions. The further

arguments of the research revealed that women entrepreneurs of Pakistan have to face both environments; traditional and contemporary in order to run their enterprises. Traditional category includes socio cultural and religious elements while contemporary category is a sub category of above mentioned factors and includes constitutional structure, policy making and other institutional mechanism. Furthermore, they recognized poor economy and stereotyped society as other factors liable of causing glitches for female entrepreneurs.

The major factors that restrain women from business are gender-based discrimination, lack of communal support, limited access to information, inadequate education & training facilities, absence of trust in one's capabilities and access to resources(Afza et al., 2010). These arguments are supported by the findings of another research that says that the lack of proper leadership, planning and inadequate financial resource allocation is some other difficulties that women usually face during execution of their businesses (Palaniappan et al., 2012).

The first hypothesis of this study states Entrepreneurial orientation dimensions is positively associated with firm performance. The standardized regression coefficients of EO dimensions are positive and statistically significant in the prediction of both dependent variables (financial and non-financial performance indicators). This findings supported by an existing literature, as expected, the present study confirms the link between entrepreneurial orientation dimension and firm performance such as(Ali & Abdel Hafiez, 2014; Covin & Slevin, 1991; Lumpkin & Dess, 1996; S. A. Zahra, 1993).

5. The second hypothesis was environmental determinants has positive relationship with entrepreneurial orientation, we found that the three dimensions of environmental determinants; the environmental dynamism, heterogeneity and

hostility are positively related to Entrepreneurial orientation of firm owned and managed Somali women entrepreneurs. This findings also supports the existing related literature such studies of (Miller, 1983; Stevenson & Gumpert, 1985; Wiklund, 1998; Zahra, 1991).

6. The third research hypothesis was stated that environmental Determinants has positive influence on firm performance, the three sub hypothetical model was tested using linear regression analysis, and found hostility and heterogeneity had positive influence of firm performance and two hypothesis was accepted and this findings gives the literature support (Zahra & Bogner, 2000)(Akgün et al., 2008)while environmental dynamism had no significance influence on firm performance and this does not support the literature available.

7. The fourth Hypothesis stated that environmental determinants has positive moderating influence on the relationship between the entrepreneurial orientation and firm performance, the findings supported the existence of moderation effect of the three dimensions of environmental determinants to EO and firm performance relationship which the inline with the related literature(e.g., Covin & Slevin, 1989; Lumpkin & Dess, 2001; C. Robertson & Chetty, 2000), but was negative moderating effect while the literature propose positive moderating effect.



### **5.3. Discussion of the Findings**

The discussion of the findings begins by addressing the profile of women entrepreneurs, motivational factors and challenges and constraints. Next is to explore the Correlation between variables and finally the tackling moderating effect of entrepreneurial orientation and firm performance.

#### ***5.3.1. Profile of Somali women entrepreneurs***

Gender perspective within Entrepreneurship study is not a new topic and plentiful academic publications about feminism research have been published in recent years. This matches the trend that the society has drawn more attention in gender equality, which to larger extent helps women eliminate their subordinate social status to men. It is doubtless that the rising consciousness of gender equality lets people put more attention on female role in entrepreneurship. A women entrepreneur is one who owns and runs commercial enterprise independently, often at a personal financial risk.

The first objective of this study was to investigate the profile of women entrepreneurs in Somalia in terms of age, status and educational background. Data analysis and interpretation revealed the following major findings under this objective. It revealed that the age majority of women in business in Somalia are in between twenty five and forty five. The majority of the women in this study are married because Women's economic standing and responsibilities in prewar Somalia varied by location, Women who lived in urban settings might likely have had husbands who worked in industry or government and acted as sole bread winners for the family.

These women would be tasked with the activities of running the household and raising children. In pastoral families, women shared in some duties outside the household, including the care and feeding of animals, selling of milk, and in some cases herding of livestock.

Women in agricultural communities also engaged in activities outside the traditional household duties, assisting in the cultivation of fields and harvesting of crops but nowadays the situation of the Somali women has changed.

Women's increased involvement in trade appears to be a reflection of economic necessity. In most cases, women lack investment capital, own few assets, and earn a subsistence income to support their families through work in harsh conditions and an insecure environment. In Somalia, there are relatively few women owners of wholesale businesses or corporations, and very few major Somali companies have a woman on their boards. The findings of this study can be caused by the structure of the Somali family. The majority of the girls who are below twenty years stay at home and help their mother do works at home. On the other hand twenty years back the girls could not go to education centers as they served their male brothers who went to schools. Women in Somali realized the importance of the businesses when they marry because they feel responsible their children that could let them start small businesses that could cover the minor family needs and they turn into true entrepreneur.

In terms of education majority of respondents are stated primary education while very few are bachelor holder, this findings is not surprising since the Since the collapse of Somalia's central government, not only the security has gone, but also the public services were missing during the last two decades, including education for the children. Since then, Educational umbrellas and NGO's where supporting the

educational system of the country to fill the gap of the government and it begun to grow rapidly.

The overall children in schools are very low with girls in schools are small in number compared to boys. Overall school enrollment over the last eight years, only 710,860 children out of an estimated 1.7 million of primary school age children – 42 per cent of children – are in school. Of those at school, 36 per cent are girls, according to a recent report (UNICEF, 2013).

UNICEF says, only 15 per cent of the teaching force in Somalia are women with the majority being unqualified. Although the number of girls in schools is growing, yet the traditional belief in the country doesn't give a priority for girls' education. Some parents believe that the end of girl's education is the home of her husband and not expect to see the benefits, so they better prioritize educating boys who they see as a supportive.

More than seventy percent of women participated the survey were married and has children, twenty two percent of those women's had more than seven children, Women entrepreneurship have to raise the standard of living of their kids as well as their standard of living. Families are poor and desperate if husband and the wife are not working. If the husband is alive or dead the wife will take care of the family's financial problems. Because in some cases the husband may be alive but no men's job available for him. Somali women have played a great role in this.

As stated the respondents, eighty percent of them are owners managers, while less than twenty percent of women surveyed are employees in company that own female, sixty eight percent are sole owners while twenty percent had partners in their ventures, this is one answer why they are micro entrepreneurs, According to size of business most women owned business are micro which has 1 to 9 employees (78%) ,

while (16.9%) are small business which have 10 to 49 employees, the rest (4.7%) are medium enterprise which have (50-249) employees.

Fifty percent of women respondents are started from scratch; they started their venture and enter into entrepreneurship life and this increases the chance of developing creativity and innovation capacity of female entrepreneurs comparing those inherited the ventures from their parents or husbands because they will enter for pushing factor while those started their self are more motivated as stated many literature because there had pulling factors such self-esteem and achievement.

Entrepreneurship has been conceptualized as a dynamic process that requires linkages or networks between key components of the process for its successful development. This approach is viewed as being surrounded in a social context, channeled and facilitated or introverted and inhibited by people's positions in social networks (Aldrich & Zimmer, 1986). Therefore, networking is important for women entrepreneurs for their success in hard environment such Somalia, the most shocking findings was that the majority of respondents stated no professional Membership, most of women entrepreneurs (81.1%) have no registered any professional membership, while (16.6%) are part of Professional Business Association, the majority of sixteen are registered informal business Association.

### ***5.3.2. Motivation factors of women entrepreneurs in Somalia***

The second objective of the study was to investigate the motivational factors of women entrepreneurs in Somalia. Data analysis and interpretation revealed the following major findings under this objective. It revealed that around fifty percent of the women entrepreneurs in Somalia are motivated by the need for economic opportunity (gaining income/profit), whereas twenty percent wishes for control and personal freedom to take their own decisions, in the third place fifteen percent don't want to work others, in the fourth place more than ten percent became entrepreneurs for Personal achievement, while eight percent start their business for social status. This result can be caused by the unemployment in the country that affected the male in Somalia. There could also be the reason of the male becoming busy on the civil wars after the economy of the country collapsed. There are less job opportunities for the male in private and public sectors because of lawlessness. The foreign investment is missing and everything which could create jobs was lost with civil war and this findings is line with major literature in this issue (Orhan & Scott, 2001), which found that Among the major factors that motivate women to start their own businesses are economic separation from the rest of the family and to get the target goal of managing the living, According to ILO(2003b), some women start business for economic purpose to cover family needs while other women start the business for using their career; understanding of the business; and to enhance their life styles, while Jesurajan and Gnanadhas(2011) stated that Women are becoming entrepreneurs due to several factors which may be classified as "pull factors" and "push factors". Push factors refer to factors that encourage women to start business enterprises driven by financial need because of family state of affairs.

### ***5.3.3. Challenges and constraints faced by women entrepreneurs in Somalia***

Women entrepreneurs in developing and developed country face many kind of constraints such as gender-based discrimination, lack of communal support, limited access to information, inadequate education & training facilities, absence of trust in one's capabilities and access to resources (Afza et al., 2010). In addition, Somali women entrepreneurs face culture and socio attitude environmental that in decrease their performance as well as well fitness of their mental, the present research give more attention to those constraints before and after venturing as well as socio-cultural environment so as to light on the problem and give some contribution.

Constraints faced Somali women for prior starting new venture are, twenty eight percent is combination of work and family, forty nine percent was financial and liquidity problem while others don't have time for developing their skills and attending classes for business management.

Self-confidence is one of the main characteristics of entrepreneurship, majority of respondents agreed that they face question of self-confidence after starting the venture, the obstacle come first, in second place financial questions such as raising capital, getting loans since we know that it's too hard to get women loans from financial institution, here culture issue raising,, in third place, is lack of information/ advice on how to start an enterprise , the fifth obstacles when starting the business is lack of finding the right/ appropriate contacts for starting business venture , the last and final obstacles facing after starting is combination of family and work life and this is most complains of women in business, they dedicate more time to their venture as shown in our findings more than forty percent spend seven to ten hours per day while thirteen percent spend more time around ten to sixteen hours this

definitely will cause divorce and family separation, Women entrepreneurs have also been accused of neglecting their children. They are absorbed deep down in their work that they have forgotten their children. She gives more priority to her job. Others even don't want to foster children claiming that if they do so they will lose their jobs. Some have even said that they are not on the mood.

They have also neglected household chores (catering for their husband). Most of the time, they are away for work. They are not aware of what is happening back at home. Traditional Somali women used to cater for their husbands but this is not the case anymore in the modern Somali culture. This has all changed. They have forgotten family chores. Cooking food and preparing the bed for their husband. They have all employed maids to do this job. The current findings supported by existing literature, a growing body of literature (including the (GEM, 2004) study) recognizes that women entrepreneurs operate under different socio-cultural and economic conditions to that of their male counterparts, Bulk of the literature on the gender-related barriers women encounter however have focussed on North American and European women entrepreneurs. The most common problem, cited in the literature, is the inadequate provision of finance, and restricted access to institutional finance due to collateral and complex procedures(Coleman, 2000; Mann, Grindle, & Shipton, 1989; Meier & Pilgrim, 1994).

Other frequently mentioned problems concern marketing, shortage of utility services, lack of technical support in the form of advice on processes, design of products, quality control etc., lack of management training, and information(Al-Ashi, 1991)(Ladzani & van Vuuren, 2002)(Co & Mitchell, 2006).

Women entrepreneurs experience a number of barriers and issues that are greater than those facing small businesses in general (Smallbone, Johnson, Virk, & Hotchkiss, 2000), Women's capabilities are generally questioned and comparatively harsh guarantee terms are imposed (Orhan & Scott, 2001). Other barriers women face in the financial arena is directly linked to the size and nature of their businesses (Carter & Rosa, 1995). It has been found that women who are faced with time constraints often shy away from formal borrowing, as against borrowing from traders/money lenders, where loan transactions are completed in a few minutes (Singh & Belwal, 2008). Well-intending organisations and institutions may well create institutional barriers to the entry and development of women in small-scale enterprises.

#### ***5.3.4. Entrepreneurial orientation and firm performance***

The sixth research question for this study was to examine the relationship that potentially exist between entrepreneurial orientation and firm performance among the women entrepreneurs in Somalia. Specifically, the objectives under this model were 1) to determine the impact of innovation propensity on performance Somali women entrepreneurs in Banadir region and 2) To examine the impact of pro activeness on performance of Somali women entrepreneurs in Banadir region.

By employing proportionate stratified random sampling technique, this study collected responses regarding the main variables of the study from 314 women owned and managed enterprises in four main regions in Somalia. Women provided responses to three main constructs, namely innovation, pro-activeness, Risk-taking, and firm performance. Many studies have been conducted on this topic, yielding conflicting results.



It is commonly thought that the higher the entrepreneurial orientation, the higher the performance of the entrepreneur. Therefore, if that were true this study should have found that women owned micro and small enterprises adopt entrepreneurial orientation attain a higher performance financially and non-Financially indicators.

Indeed, the results of Bivariate correlation suggested that the criterion variable (firm performance) had statistically significant and positive correlation with the two predictors namely innovation and pro-activeness. On the other hand, the results of multiple regression analysis revealed that two constructs had statistically significant and positive effects on the firm performance. Therefore verifying to all of four hypotheses constructed in the chapter five of this study. Thus, these findings in line with the findings made by previous researchers such as(Lumpkin & Dess, 2001; Miller & Friesen, 1982; Morris et al., 2008) that the firm's entrepreneurial orientation is an important factor contributing to the higher firm's performance.

### ***5.3.5. Environmental determinants and entrepreneurial orientation***

This model has three dimensions; the environmental dynamism, heterogeneity and hostility are positively related to EO and its dimensional variables of Pro-activeness and risk-taking. However, first research found that Dynamism has a positive effect on entrepreneurial orientation that indicate Enterprises which are functioning in dynamic environment have to compete with rapid changes in technology, customer needs and preferences, as well as competitive actions. In order to increase sales turnover or to satisfy customer, they have to adopt innovative and creative solutions to problems, the current findings approved previous findings such asZahra(1991)said that dynamic environments become rich source of ideas for the appearance of new opportunities; "changes in the external markets create new windows of opportunity".

Furthermore Stevenson and Gumpert(1985)innovation capacity and strategies are often and most reliable response to environmental dynamics while Drucker(2006)“changes in the social, political, technological, and economic environment”.

Second, the research found that Environmental Heterogeneity has a positive effect on entrepreneurial orientation. As Saly (2001) indicates Market heterogeneity may produce opportunities, where developments in one market segment create demand for a product in other unrelated segments”. Heterogeneous markets boost up entrepreneurial orientation as “new innovations are introduced to satisfy diverse needs” (Zahra, 1991).

Research conducted by different researchers, a positive relationship between environmental heterogeneity and entrepreneurial orientation has been determined(Miller, 1983; Wiklund, 1998; Zahra, 1991).

Finally, we found environmental hostility had significant relationship with entrepreneurial orientation This implies that as the environment becomes hostile, the micro and small enterprises owned by women have to become proactive and innovators in order to survive the hostile conditions of their, the hostility is positively related to entrepreneurial orientation because an average firm in hostile environment adopt series of innovative and proactive strategies and acts in order not to be washed away by the tide of “hostility”. A “Hostile environment” creates threats to the firm, either through increase rivalry or decrease demand for the products. The firm therefore becomes more proactive to beat its competitors: innovative in revitalizing the demand of its products.

### ***5.3.6. Environmental determinants and firm performance***

Environmental determinants such hostility, heterogeneity and dynamic environment had positive influence firm performance, the three hypothetical model was tested using linear regression analysis, and found hostility and heterogeneity had positive influence of firm performance and two hypothesis was accepted and this findings gives the literature support, Firms operating in hostile environments are facing a number of constraints regarding their strategic options. For example, profit prospects of innovation strategies are limited in industries with intense price competition (Zahra & Bogner, 2000) managing this environment will contribute better firm performance while environmental dynamism had no significant influence on firm performance and hypothesis was rejected, And this findings does not meet with literature results such as Akgün et al.(2008)results which indicates relationship between dynamic environment with organizational performance but because of difficulties women entrepreneur associated with operating in unpredictable settings ,These disadvantages are obviously at least partially offset by business opportunities that hold potentials for growth and profitability. This is a valuable finding with regard to research on small businesses and new ventures. Industry choice is one of the first and most influential strategic decisions of a firm.

Researchers have argued that initial founding conditions are critical for firm success (Eisenhardt & Schoonhoven, 1990). New ventures usually start small; a munificent environment offers them opportunities to survive and grow. Hence, small firms should try to focus their operations on munificent industries.

### ***5.3.7. Moderation effect on environmental determinants***

This study developed a conceptual model that describes the role of moderating effect of environmental determinants in conjunction between the EO and the firm performance. The results showed that EO is related positively and significantly to the performance of the firm owned by women.

Empirically, this finding supports previous studies that EO is related positively and significantly with the firm performance (Coulthard, 2007; Huarng & Yu, 2011; Li et al., 2008; Lumpkin & Dess, 2001; Rundh, 2011; Wiklund & Shepherd, 2005) that EO associated positively with the firm performance. Nevertheless, when we incorporate environmental determinants as a moderating variable, the positive relationship between EO and the firm performance will be weakened and this is indication of existence of moderation effect. Our results also indicate that the effect of EO on business performance is greater or lower, according to high or low environmental determinants, supporting, thus, findings highlighted in previous studies (Covin & Slevin, 1989; Lumpkin & Dess, 2001; C. Robertson & Chetty, 2000). This suggests that the role of environmental determinants as a moderating variable able to provide great benefits for improved firm performance. The differing behaviors are often attributed to the dynamic, heterogenic and sometimes hostile, environments of emerging economies (Bruton, Ahlstrom, & Singh, 2002). Such an environment poses great challenges to entrepreneurial firms in their capitalizing on proactive, risk-taking, and innovative activities. As a result, EO exerts beneficial effects on firm performance only up to a certain point, beyond which further increments in EO actually interfere with or reduce firm performance (Tang et al., 2008).

## **5.4. Theoretical Implications**

This study was examined the relationship between entrepreneurial orientation with firm performance using financial and non-financial indicators, as results of the regression analysis reported that EO was found to be significant predictor of firm performance. These results were supporting past studies as entrepreneurship is generally seen as an impetus toward firm growth and, at least within certain contexts, has been shown to be positively associated with, or as having a positive impact on firm performance (Covin & Slevin, 1991; Wiklund & Shepherd, 2005; Wiklund, 1999; S. Zahra & Covin, 1995; Zahra, 1991). As a result, the findings are consistent with some of the theoretical and empirical research in the field.

Entrepreneurial orientation can be captured by the propensity to assume risk, and the willingness to innovate, and to pursue market opportunities proactively (Covin & Slevin, 1991). The findings supported some of the existing literature and confirmed the link between entrepreneurial orientation and performance. This study helps to integrate and conceptualize the antecedents of entrepreneurial orientation and the significance of entrepreneurial orientation to firm performance.

This study found some evidence of a direct linear relationship between entrepreneurial orientation and firm performance. Such findings represent a support over previous leadership research in the field which has predicted a linear relationship between entrepreneurial orientation and firm performance. This study appears that entrepreneurial orientation influence more with firm financial indicators comparing to non-financial performance indicators. Hence, this study offers additional contribution to the literature in terms of research into women's firm-level entrepreneurial orientation and its links to firm performance and growth in the context of Somalia.

This study also contributes to the literature by broadening the knowledge on the linkage between EO and the performance of firms. Many studies have explored the linkages between entrepreneurship and the performance of firms using the EO measure (Covin & Slevin, 1989; Lumpkin & Dess, 1996, 2001; Wiklund, 1998). However, none of these looked at specific business enterprises in the Sub-Saharan African context and especially in Somalia. Hence, this study has managed to extend the geographical coverage of the investigation, and by establishing a significant association between EO and performance, it has lent additional credence to previous findings.

The study was investigating the moderating effect of environmental determinants on relationship between entrepreneurial orientation and firm performance, the data supported negative moderating effect of Environmental factors on EO- firm performance relationship.

The current research contributed to the long list of organizational and environmental determinants previously assessed as moderators of the EO-performance relationship (e.g., Morris et al., 2008). Additionally, this study confirms previous research findings that solely relying on the main-effects-only relationship between EO and performance provides an incomplete picture of firm performance. A more complete understanding arises from examining the effect of internal organizational characteristics as well as external environmental conditions.

I believe that this study contributes to the ongoing debate on the relative importance of environmental conditions for firm performance.

The regression results show that heterogeneity has a comparatively large impact on firm performance, whereas the effects of hostility and dynamism are rather small or even non-significant. However, as the variance in effect sizes

demonstrate hostility and dynamism influence firm performance in certain settings. Hence, our results should encourage researchers to take environmental conditions into account more frequently.

Furthermore, the consideration of Environmental Determinants makes a related support of the capability theory. Based on capability theory, a firm must have the ability to interact with the environment (Aaker dan Mascarenhas, 1984; Hitt, et al., 1998; Shimizu dan Hitt, 2004).

It implies that the ability of companies to boost innovative behavior, proactive and bold in taking risks so that those activities had differences with other companies. Such differences will have an impact on performance improvements so that competitive advantage can be achieved.

Finally, this study contributes to integrate the domains of EO and strategic management research. Entrepreneurship literature (e.g., Covin & Slevin, 1991; Lumpkin & Dess, 1996) suggests that EO of the ventures became a critical success because EO represents an important means to discover and exploit profitable business opportunities. On one hand, the strategic management theory (e.g., Aaker and Mascarenhas, 1984; Barringer and Bluedorn, 1999) show a hierarchy process starts with planning up to decision making in to create opportunities and achieve excellence. The argument was consistent with statements from some of the authors (e.g. Hitt and Ireland, 2000; Venkataraman and Sarasvathy, 2001; Hitt, et al, 2001) that *“While the fields of strategic management and entrepreneurship have developed largely independently of each other, they both are focused on how firms adapt to environmental change and exploit opportunities created by uncertainties and discontinuities in the creation of wealth”*. By this study, researcher showed that the environmental factors must be shown flexibly as a key element in improving the

understanding of the EO development, thus the implementation will have an impact on the achievement of the firm performance.

## **5.5. Managerial Implications**

1. Based on practical contributions, this study found that the women entrepreneurs should have realized the importance of Environmental Determinants in relation of EO and firm performance. Women entrepreneurs can improve its ability to demonstrate innovative behavior, proactive and bold in taking risks. In addition, the understanding of women entrepreneurs about the existence of competitors also should be a concern for women managers. To that end, the proactive behavior becomes a major concern for companies in an effort to improve performance. This was confirmed by the statements of Lumpkin and Dess(1996)that proactive dimension has greater dominance compared to other dimensions, since the beta of Pro-activeness is large compared to innovation.
2. For women entrepreneurs, it is important to know if EO can contribute to value-adding activities over time, as EO can be a resource-consuming strategic orientation (Covin & Slevin, 1991). Therefore, knowing whether focusing upon and 'investment' in EO over time may be beneficial is of great importance.
3. To achieve Superior performance and hold organizational Excellence, women entrepreneur must dealing and managing with cases of environmental determinants to enhancement organizational performance for their companies.
4. The significant effect of environmental variables suggested that they are important in improving the entrepreneurial orientation of firms. In as much as studies (Burgelman, 1983; Kanter, 1982; Lumpkin and Dess, 1996; Naman and Slevin, 1993) have established that entrepreneurial orientation of a firm has positive effect on their performance, it becomes necessary to improve these



environmental variables in order to improve the EO and thus take advantage of the positive relationship between the EO and firm performance to improve the performance of women micro and small enterprises in Somalia.

5. For women owned and managed small enterprises it's most important to maintain entrepreneurial networks to advocate regulatory and institutional framework that gives innovative entrepreneurs a fair access to financial and markets as well promoting fair play in entrepreneurship and fighting discrimination against the women.
6. Women's business owners and people with entrepreneurial intentions, Industry choice is an influential strategic decision at founding, but also when firms aim to extend their business activities to other areas. The results of this study suggest that firms should try to operate in munificent environments. Hostility, heterogeneity, and dynamism have a small or no impact on firm success at the aggregate level. Managers need to apply the right strategies to cope with difficulties, but also exploit opportunities resulting from dynamism, heterogeneity and hostility of the firm's environment. Thus, correct perceptions of future developments in the environment may be a key success factor for firms.
7. The study has contributed to women's entrepreneurship literature by adding data on the extent to which absence of a 'women friendly' support and socio-cultural environment influence their new venture creation process.
8. The study demonstrates that the needs, opportunities, and constraints of women entrepreneurs in developing countries vary according to their personal characteristics, and the type of new venture they want to create.

9. In addition to the commonly cited barriers of women's entrepreneurship in available literature and current study, negative social attitude towards women in business, lack of security and freedom of mobility and exposure of role models by media and promotional agencies have been found to act as hindrances to women's entrepreneurship in Somalia.
10. Agencies involved in extending finance, need to recognise and appreciate the psychological and social constraints of women.
11. This study is confined to women entrepreneurship in Somalia. Studying these research issues in other African countries would be an interesting extension of this study which might help to contribute to more generalised findings.
12. Associations of women entrepreneurs should lobby government and advocate policies to support women entrepreneurs and in particular their access to resources.

## **5.6. Limitations of the Study and Suggestions for Future Research**

The major limitations of this study are; the scope of study is limited to 360 potential respondents at three different regions of Somalia. If the target population was definite the researcher could have chosen corresponding sample to the target population, but several factors such as lack of data census, popular and reliable women associations in Somalia could not allow for finding exact number of Somali women entrepreneurs. Only Somali women entrepreneurs association has registered member of 3296, in four regions studied but the association failed to provide address and contents of those women entrepreneurs, this population took place when estimating sampling for study, Estimation from this association members was the

most suitable technique in the circumstances because of the missing role of prior studies in the country.

The second limitation is that since same study was not carried out in Somalia before, it will be difficult to get contextual secondary data. The researcher will solve this problem by searching any secondary data that has relevance to the study.

The third limitation is that the questionnaire for this study is developed in English language whereby most of business women in Somalia are not familiar with the language. If the Somali women know English the interpretation time could not be wasted to develop the questionnaire in both Somali and English. This gives the researcher to do double job which is changing in between the two languages Somali and English and testing to ensure the validity and reliability. There are also other instruments such as interview, experiment and observation that were not used.

Fourth limitation, the cross-sectional research design does not allow the firm establishment of a cause and effect relationship, and thus post as a limitation to the study. Therefore, a preferable longitudinal research which would generate more accurate findings, however, this would not be possible due to the time and cost constraints on current study.

Fifth, the scope of the study was limited to six major cities in four regions in Somalia. Some of the respondents refused to take part in this study, while others claimed not having a time to fill in the questionnaires and this research was limited to get access of financial statements and budgets of Somali women entrepreneurs because it is highly inaccessible dealt as secret. Although the purpose of financial statements is to communicate financial information to interested users, in Somalia it is a secret. Thus, this research used the subjective measurement for firm financial indicators.

Sixth, the current study limited to moderating effect on environmental determinants on relationship between entrepreneurial orientation and firm performance owned by women in Somalia, future research should not only expand the examination of men entrepreneurs in Somalia but other African economics on the EO-performance relationship. Other moderating variable of internal environment and demographic characteristics may be important moderators of the EO– performance relationship. Future research should focus on identifying potentially additional significant characteristics. Continued focus on the EO and firm performance relationship is critical to developing theory, the construct and models. The current research suggests the need to go beyond simple linear models to more complex contingency and configurationally models.

Finally, by Looking at future, this research topic needs to take a comprehensive approach to incorporate in detail all dimensions of entrepreneurial orientation, and environmental determinants, and to study their link with other determinants of firm performance including return on investment and operational metrics.

## **5.7. Recommendations**

1. To promote women's entrepreneurship in Somalia, efforts should be made to encourage wide spread media exposure of role models, ideas for product and market development, and gender sensitivity training for the personnel of agencies working for the development of entrepreneurship.
2. Agencies offering enterprise training programmes need to appreciate the limited experience of women entrepreneurs in public dealing, particularly in countries where due to cultural reasons women have limited experience of dealing with men, especially on a one-to-one basis.

3. The government should promote the dynamism of the micro and small enterprises by making the business environment to be a Knowledge-driven entrepreneurship that supports technological change and promote innovativeness.
4. Although, hostility has positive relation with EO, this is so because of extra challenges facing the firm that make them proactive innovativeness. Thus, for the positive effect the EO has on performance to be achieved the government should make the environment to be more benign by ensuring that the necessary interference by government officials become a great threat, regulating and managing price-war in the men dominant industries, this price war were effected the performance of women enterprises.
5. Promote environmental munificence by making accessibility to resources and customers to be relatively easy, promote growth opportunities in micro and small enterprises owned by women.
6. Men and women alike need to be sensitized to issues of gender equality and the rights of women, e.g. promoting greater awareness on the national gender policy and women's legal access to resources.
7. The media should be used to raise awareness about women entrepreneurs, and special efforts should be made to involve spouses where appropriate.
8. The Central bank should better regulate the loan practices of commercial banks to ensure that they cater equitably for the needs of both women and men entrepreneurs.
9. A number of institutions, including NGOs, should increase the amount of credit so that women can develop themselves as entrepreneurs especially to business starters.

10. Finally, the Government should take initiatives to increase the research program on women entrepreneurship development and provide financial support to the institutions that are involved in research activities on women entrepreneurship development.

## **5.8. Conclusion**

The purpose of this study was to examine the moderating role of Environmental determinants on the relationship between the Entrepreneurship orientation and business performance of women entrepreneurs in Somalia. An empirical investigation was undertaken, using the correlation analytical technique, specifically the Pearson product moment correlation coefficient (PPMC) to test relationships between the variables, linear and hierarchical regression analysis, one sample T-test, factor analysis, Cronbach's Alpha and Descriptive Statistics.

The first objective of this study was to find out the factors that motivating Somali women entrepreneurs to enter into entrepreneurship and constraints that crack their venturing, the most two factors motivating women to become business oriented are need for economic opportunity in other term need for income generation because women became bread winner in Somali family, the second factor was seeking freedom, they did not want to work for other and this is most common factor motivating to become entrepreneurs in world, seeking freedom from job providers and managing your own destiny.

The Main constraints faced women entrepreneurs in Somali was lack of security, second major constraint was combining family duties such bearing children, cooking and house management issues and third factor which related to business issue is liquidity and other financial problem since women had constraints for

financing their new products from financial institution, trade credits and staff financial options accessible for men in Somalia.

The second objective of the study was to explore the socio-cultural barriers facing Somali women entrepreneurs, to obtain this objective researcher employed descriptive statistics especially mean value and stander deviation, fifteen factors was measuring this objective and was amazing the findings we found, the whole factors was agreed, the most factors were Gender discrimination is major challenge to Somali women entrepreneurs, this factor was expected because of social attitude toward women, the second factor Lack of Proper Financial Management skills since they don't get enrolled schools and training center this will be continues barrier to growth their venture, the third factor was role conflict, Somali women give more emphasis to their motherly role and family / home responsibilities rather than venturing for a career / growth through entrepreneurship and finally they indicate that the educational level and family background of husbands also influences women participation in the field of entrepreneurship.

The third objective of the study was to investigate the relationship between entrepreneurial orientation dimensions and performance of Somali women owned enterprises, two dimension of entrepreneurial orientation which are innovative propensity and Pro-activeness with relation to two dimension of firm performance which were financial indicators (Profitability and liquidity) and Non-financial indicators (new product development, customer satisfaction and market share), the correlation between the two dimension of entrepreneurial orientation and firm financial performance, the coefficient shows positive moderate correlation while firm non-financial performance found weak correlation.

Also, the other variables, environmental determinants, entrepreneurial orientation and firm performance had positive correlation to each other, the study developed thirteen research hypothesis, nine was accepted while four hypothesis rejected, the study found negative moderating influence on environmental determinants on relationship between entrepreneurial orientation and firm performance.

This study has contributed to both theoretical and practical aspects of Entrepreneurial orientation affecting the performance of women entrepreneurs with environmental determinants as moderating variable. If we can achieve a better understanding of the important factors of entrepreneurial orientation influencing the performance of women entrepreneurs, this will have implications for Somali women entrepreneurs and investors to broaden their business successfully in this globalized environment. If certain factors increase the odds for success, then entrepreneurs can appraise their own prospects with this in mind.

Future studies are necessary to investigate the variables depicted in the theoretical framework. It is also interesting to compare the findings between men and women entrepreneurs using the comprehensive framework developed. Comparison between nations is another area that warrants further research attention.

In conclusion, thus research study answered some questions in regard to women entrepreneurs and their entrepreneurial orientation linking to firm performance. The entrepreneurship field gained a new perspective, but in doing so, is also created some new questions that will need to be answered. Research is a never-ending story as wise said.



## REFERENCES

- Abdel Hafiez, A., & Ali, A. Y. S. (2013a). Challenges and constraints faced by Somali women entrepreneurs in Benadir region. *Interdisciplinary Journal of Contemporary Research In Business*, 5(2), 436–441. Retrieved from <http://journal-archieves33.webs.com/436-441.pdf>
- Abdel Hafiez, A., & Ali, A. Y. S. (2013b). Motivational factors of somali women entrepreneurs in Benadir region. *Academic Research International*, 4(1), 59–72. Retrieved from [http://www.savap.org.pk/journals/ARInt./Vol.4\(1\)/2013\(4.1-06\).pdf](http://www.savap.org.pk/journals/ARInt./Vol.4(1)/2013(4.1-06).pdf)
- Afza, T., Osman, M. H. B. M., & Rashid, M. A. (2010). Enterprising behavior of enterpriseless rural women entrepreneurs of Khyber Pukhtan Khawa of Pakistan. *European Journal of Social of Social Sciences*, 18(1), 109–119. Retrieved from <http://eprints.utm.my/37543/>
- Ahmad, S. Z. (2011). Evidence of the characteristics of women entrepreneurs in the Kingdom of Saudi Arabia: An empirical investigation. *International Journal of Gender and Entrepreneurship*, 3(2), 123–143. doi:10.1108/17566261111140206
- Akgün, A. E., Keskin, H., & Byrne, J. (2008). The moderating role of environmental dynamism between firm emotional capability and performance. *Journal of Organizational Change Management*, 21(2), 230–252. doi:10.1108/09534810810856453
- Al-Ashi, M. M. (1991). *An analysis of small business management training needs in Jordan*. Doctoral Thesis: University College, Cardiff, UK.
- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing*, 18(5), 573–596. doi:10.1016/S0883-9026(03)00011-9
- Aldrich, H. E., & Zimmer, C. (1986). Entrepreneurship through Social Networks. In *The Art and Science of Entrepreneurship* (pp. 3–23). Philadelphia: Ballinger.
- Ali, A. Y. S. (2012). Changing role of women in Somalia: an empirical survey of social and economic contribution of Somali women entrepreneurs in Banaadir region. *Academic Research International*, 3(1), 311–321.
- Ali, A. Y. S., & Abdel Hafiez, A. (2014). Entrepreneurial orientation and performance of women owned and managed micro and small enterprises in Somalia. *Zenith International Journal of Business Economics & Management Research*, 4(1), 25–36.
- Alvarez, S., & Busenitz, L. (2001). The entrepreneurship of resource-based theory. *Journal of Management*, 27(6), 755–775. doi:10.1177/014920630102700609

- Andersen, T. (2004). Integrating decentralized strategy making and strategic planning processes in dynamic environments. *Journal of Management Studies*, 41(8), 1271–1299. doi:10.1111/j.1467-6486.2004.00475.x
- Anderson, A. R., & Miller, C. J. (2003). “Class matters”: human and social capital in the entrepreneurial process. *The Journal of Socio-Economics*, 32(1), 17–36. doi:10.1016/S1053-5357(03)00009-X
- Arenius, P., & Minniti, M. (2005). Perceptual variables and nascent entrepreneurship. *Small Business Economics*, 24(3), 233–247. doi:10.1007/s11187-005-1984-x
- Arowomole, K. A. (2000). *Modern Business Management (Theory and Practice)*. Sango-Ota, Ogun State: Ade-Oluyinka Commercial Press.
- Aruwa, S. A. S. (2006). *Entrepreneurial development, small and medium enterprises* (2nd ed.). Kaduna: Entrepreneurship Academy Publishing.
- Asch, D., & Salaman, J. . (2002). The Challenge of Change. *European Business Journal*, 14(3), 133–143.
- Babbie, E. (2013). *The practice of social research*. Wadsworth: Cengage learning.
- Bain, J. (1951). Relation of profit rate to industry concentration: American manufacturing, 1936-1940. *The Quarterly Journal of Economics*, 65(4), 78–79. Retrieved from <http://www.jstor.org/stable/1882217>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. doi:10.1177/014920639101700108
- Baron, R. M., & Kenny, D. a. (1986). The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–82. Retrieved from <http://www.ncbi.nlm.nih.gov/pubmed/3806354>
- Becherer, R. C., & Maurer, J. G. (1997). The moderating effect of environmental variables on the entrepreneurial and marketing orientation of entrepreneur-led firms. *Entrepreneurship Theory and Practice*, 22(1), 47–58.
- Berney, J. B. (1986). Organizational culture: can it be a source of sustained competitive advantage? *Academy of Management Review*, 11(3), 656–665. Retrieved from <http://amr.aom.org/content/11/3/656.short>
- Boschee, B. J. (2007). “ Social innovation ” and “ social enterprise ”: A powerful combination. *Social Enterprise Reporter*, (March). Retrieved from <http://www.socialent.org/documents/socialinnovationandsocialenterprise--apowerfulcombination.pdf>
- Bourgeois, L. (1980). Performance and consensus. *Strategic Management Journal*, 1(3), 227–248. doi:10.1002/smj.4250010304

- Bourgeois, L. J., & Eisenhardt, K. M. (1988). Strategic decision processes in high velocity environments: Four cases in the microcomputer industry. *Management Science*, 34(7), 816–835. doi:10.1287/mnsc.34.7.816
- Bowling, A. (2009). *Research methods in health: Investigating health and health services*. Maidenhead, Berkshire:: McGraw Hill/Open University Press.
- Boyd, B. K., Dess, G. G., & Rasheed, A. M. A. (1993). Divergence between and measures of the environment: Perceptual causes and consequences. *Academy of Management Review*, 18(2), 204–226. Retrieved from <http://www.jstor.org/stable/258758>
- Bruno, A. V., & Tyebjee, T. T. (1982). The environment for entrepreneurship. In *Encyclopedia of Entrepreneurship* (pp. 288–315). Englewood Cliffs, NJ: Prentice-Hall, Inc.
- Brunstein, J. C., & Maier, G. W. (2005). Implicit and self-attributed motives to achieve: two separate but interacting needs. *Journal of Personality and Social Psychology*, 89(2), 205–22. doi:10.1037/0022-3514.89.2.205
- Bruton, G. D., Ahlstrom, D., & Singh, K. (2002). The impact of the institutional environment on the venture capital industry in Singapore. *Venture Capital*, 4(3), 197–218. doi:10.1080/13691060213712
- Buytendijk, F. (2009). An Oracle Business Intelligence and Performance Management. *Journal of Management Excellence: Building Trust*, 6(1), 1–25.
- Calantone, R., Garcia, R., & Dröge, C. (2003). The effects of environmental turbulence on new product development strategy planning. *Journal of Product Innovation Management*, 20(2), 90–103. doi:10.1111/1540-5885.2002003
- Carter, S., & Rosa, P. (1995). *The Financing of Male and Female Owned Businesses*. Paisley: University of Paisley.
- Center for Research and Dialogue (CRD). (2004). *Somali national project group meeting*. Mogadishu. Retrieved from <http://www.crdsomalia.org/npgm.shtml>
- Chandler, A. D. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. Cambridge, MA: MIT Press.
- Chandler, G., & Hanks, S. (1998). An examination of the substitutability of founders human and financial capital in emerging business ventures. *Journal of Business Venturing*, 13(5), 353–369. doi:10.1016/S0883-9026(97)00034-7
- Chelliah, J., & Lee, H. (2011). Inter-generational Changes in Entrepreneurial Values of Chinese Australians. *Journal of Global Business Management*, 7(2), 1–11. Retrieved from [http://www.jgbm.org/page/previous\\_V7-2.htm](http://www.jgbm.org/page/previous_V7-2.htm)

- Child, J. (1972). Organizational structure, environment and performance: the role of strategic choice. *Sociology*, 6(1), 1–22. doi:10.1177/003803857200600101
- Choi, F. D. S., & Meek, G. K. (2011). *International Accounting* (7th ed.). New Jersey: Prentice Hall.
- Chusmir, L. H. (1983). Characteristics and predictive dimensions of women who make nontraditional vocational choices. *Personnel & Guidance Journal*, 62(1), 43–47. doi:10.1111/j.2164-4918.1983.tb00118.x
- Clausen, T. (2006). Who identifies and Exploits entrepreneurial opportunities. Retrieved August 24, 2012, from [http://ccsr.ac.uk/methods/festival/programme/18QM/documents/PaperTommyClausen2\\_000.pdf](http://ccsr.ac.uk/methods/festival/programme/18QM/documents/PaperTommyClausen2_000.pdf)
- Co, M. J., & Mitchell, B. (2006). Entrepreneurship education in South Africa: A nationwide survey. *Education + Training*, 48(5), 348–359. doi:10.1108/00400910610677054
- Coleman, S. (2000). Access to capital and terms of credit: a comparison of men and women owned small businesses. *Journal of Small Business Management*, 38(3), 37–52.
- Collins, O. F., & Moore, D. G. (1970). *The organization makers: a behavioral study of independent entrepreneurs*. New York: Appleton-Century-Crofts.
- Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, 59(3), 501–528. doi:10.1111/j.1744-6570.2006.00045.x
- Conant, J. S., & Smart, D. T. (1994). Entrepreneurial orientation, distinctive marketing competencies and organizational performance. *Journal of Applied Business Research*, 10(3), 28–38.
- Cooper, D. R., & Schindler, P. S. (2000). *Business Research Methods* (7th ed.). Boston: Irwin/McGraw-Hill.
- Coughlin, J. H., & Thomas, A. R. (2002). *The rise of women entrepreneurs: People, processes, and global trends*. Westport, Connecticut: Quorum Books.
- Coulthard, M. (2007). The role of entrepreneurial orientation on firm performance and the potential influence of relational dynamism. *Journal of Global Business and Technology*, 3(2), 29–39.
- Covin, J., & Slevin, D. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10(1), 75–87. doi:10.1002/smj.4250100107

- Covin, J., & Slevin, D. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16(1), 7–25. Retrieved from [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1504448](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1504448)
- Daft, R. (2008). *Organization theory and design* (10th ed.). Stamford: South-Western, Cengage Learning.
- Datta, D. K., & Narayanan, V. K. (1989). A Meta-Analytic Review of the Concentration-Performance Relationship: Aggregating Findings in Strategic Management. *Journal of Management*, 15(3), 469–483. doi:10.1177/014920638901500309
- Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301–331. doi:10.1016/S0883-9026(02)00097-6
- Dechow, P. (1994). Accounting earnings and cash flows as measures of firm performance: The role of accounting accruals. *Journal of Accounting and Economics*, 18(1), 3–42. doi:10.1016/0165-4101(94)90016-7
- Dess, G. G., & Beard, D. (1984). Dimensions of organizational task environments. *Administrative Science Quarterly*, 29(1), 52–73. Retrieved from <http://www.jstor.org/stable/2393080>
- Dess, G. G., Lumpkin, G. T., & Covin, J. G. (1997). Entrepreneurial strategy making and firm performance: Tests of contingency and configurational models. *Strategic Management Journal*, 18(9), 677–695. doi:10.1002/(SICI)1097-0266(199710)18:9<677:
- Dharmadasa, P. (2009). *Organisational learning, innovation and performance in family-controlled manufacturing small and medium-sized enterprises (SMEs) in Australia*. Doctoral Thesis: Bond University. Retrieved from <http://epublications.bond.edu.au/theses/14/>
- Dibrell, C., Davis, P., & Craig, J. (2008). Fueling innovation through information technology in SMEs\*. *Journal of Small Business Management*, 46(2), 203–218. doi:10.1111/j.1540-627X.2008.00240.x
- Di-Masi, P. (2010). Defining Entrepreneurship. *The Global Development Research Center*. Retrieved July 12, 2011, from <http://www.gdrc.org/icm/micro/define-micro.html>
- Dimitratos, P., Lioukas, S., & Carter, S. (2004). The relationship between entrepreneurship and international performance: the importance of domestic environment. *International Business Review*, 13(1), 19–41. doi:10.1016/j.ibusrev.2003.08.001
- Doupnik, T., & Perera, H. (2009). *International Accounting*. New York: McGraw-Hill.

- Drucker, P. (2002). The discipline of innovation. *Harvard Business Review*, 63(3), 67–72. Retrieved from <http://europepmc.org/abstract/MED/10272260>
- Drucker, P. F. (2006). *Innovation and Entrepreneurship: Practice and Principles*. London: Routledge.
- Duncan, R. (1972). Characteristics of organizational environments and perceived environmental uncertainty. *Administrative Science Quarterly*, 17(3), 313–327. Retrieved from <http://www.jstor.org/stable/2392145>
- Eckhardt, J., & Shane, S. (2003). Opportunities and entrepreneurship. *Journal of Management*, 29(3), 333–349. doi:0.1016/S0149-2063(02)00225-8
- Eisenhardt, K. M., & Schoonhoven, C. B. (1990). Organizational growth : linking founding team, strategy, environment, and growth among US semiconductor ventures, 1978 - 1988. *Administrative Science Quarterly*, 35(3), 504 – 529.
- Erogul, M., & McCrohan, D. (2008). Preliminary investigation of Emirati women entrepreneurs in the UAE. *African Journal of Business Management*, 2(10), 177–185. Retrieved from <http://www.academicjournals.org/journal/AJBM/article-full-text-pdf/7777F2517364>
- Eyupoglu, S., & Saner, T. (2011). Who is she? The Turkish Cypriot female entrepreneur. *African Journal of Business Management*, 5(15), 6247–6255. doi:10.5897/AJBM09.266
- Foxall, G., & Greenley, G. (1999). Consumers’ emotional responses to service environments. *Journal of Business Research*, 46(2), 149–158. doi:10.1016/S0148-2963(98)00018-6
- Gadar, K., & Yunus, N. (2009). The influence of personality and socio-economic factors on female entrepreneurship motivations in Malaysia. *International Review of Business Research Papers*, 5(1), 149–162. Retrieved from [http://www.academia.edu/download/30227362/12.\\_kamisan.pdf](http://www.academia.edu/download/30227362/12._kamisan.pdf)
- Galbraith, C., & Schendel, D. (1983). An empirical analysis of strategy types. *Strategic Management Journal*, 4(2), 153–173. doi:10.1002/smj.4250040206
- Galbraith, J. R. (1973). *Designing complex organizations*. Boston: Reading, Mass., Addison-Wesley.
- Garengo, P., & Bititci, U. (2007). Towards a contingency approach to performance measurement: an empirical study in Scottish SMEs. *International Journal of Operations & Production Management*, 27(8), 802–825. doi:10.1108/01443570710763787

- Gartner, W. B., Shaver, K. G., Carter, N. M., & Reynolds, P. D. (2004). *Handbook of Entrepreneurial Dynamics. 2004*. California: SAGE Publications, Inc.
- GEM. (2004). *Women and Entrepreneurship. Babson College*. Babson College. MA, USA. Retrieved from <http://www.gemconsortium.org/docs/download/260>
- George, G., Wood, D. R., & Khan, R. (2001). Networking strategy of boards: implications for small and medium-sized enterprises. *Entrepreneurship & Regional Development: An International Journal*, 13(3), 269–285. doi:10.1080/08985620110058115
- Gibbs, B. (1994). The effects of environment and technology on managerial roles. *Journal of Management*, 20(3), 581–604. doi:10.1016/0149-2063(94)90004-3
- Golder, P. N., & Tellis, G. J. (1993). Pioneer Advantage: Marketing Logic or Marketing Legend? *Journal of Marketing Research*, 30(2), 158–170. doi:10.2307/3172825
- Goll, I., & Rasheed, A. A. (2005). The Relationships between Top Management Demographic Characteristics, Rational Decision Making, Environmental Munificence, and Firm Performance. *Organization Studies*, 26(7), 999–1023. doi:10.1177/0170840605053538
- Gould, S. K. E., & Parzen, J. E. (1990). *Enterprising women: Local initiatives for job creation*. Paris: Organisation for Economic Cooperation and Development.
- Grant, R. (1996). Toward a knowledge--based theory of the firm. *Strategic Management Journal*, 17(S2), 109–122. doi:10.1002/smj.4250171110
- Green, E., & Cohen, L. (1995). 'Women's business': Are women entrepreneurs breaking new ground or simply balancing the demands of "women's work" in a new way? *Journal of Gender Studies*, 4(3), 297–314. doi:10.1080/09589236.1995.9960615
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis* (7th ed.). New Jersey: Pearson Prentice Hall.
- Hall, W. K. (1980). "Survival strategies in a hostile environment." *Harvard Business Review*, (September/October), 75–85.
- Hashim, M. K. (2002). *Small and medium-sized enterprise in Malaysia: Role and issues*. Sintok: UUM Press.
- Hisrich, R., Peters, M., & Shepherd, D. (2005). *Entrepreneurship*. Singapore: McGraw-Hill/Irwin.

- Horngren, C. T., Datar, S. M., & Rajan, M. V. (2012). *Cost Accounting: A Managerial Emphasis. Zhurnal Eksperimental'noi i Teoreticheskoi Fiziki* (14th ed.). New Jersey: Pearson Prentice Hall.
- Huang, K.-H., & Yu, T. H.-K. (2011). Entrepreneurship, process innovation and value creation by a non-profit SME. *Management Decision*, 49(2), 284–296. doi:10.1108/00251741111109160
- Hughes, M., Hughes, P., & Morgan, R. E. (2007). Exploitative Learning and Entrepreneurial Orientation Alignment in Emerging Young Firms: Implications for Market and Response Performance. *British Journal of Management*, 18(4), 359–375. doi:10.1111/j.1467-8551.2007.00519.x
- Hult, G. T. M., Snow, C. C., & Kandemir, D. (2003). The Role of Entrepreneurship in Building Cultural Competitiveness in Different Organizational Types. *Journal of Management*, 29(3), 401–426. doi:10.1016/S0149-2063(03)00017-5
- Humbert, A. L., Drew, E., & Kelan, E. (2009). Gender identity and ICT entrepreneurship in an Irish context. In A. Malach-Pines & M. F. Özbilgin (Eds.), *Handbook of Research on High-technology entrepreneurs* (pp. 123–141). Cheltenham: Edward Elgar Publishing Limited.
- Hurst, E., & Lusardi, A. (2004). Liquidity constraints, household wealth, and entrepreneurship. *Journal of Political Economy*, 112(2), 319–347. Retrieved from [http://www.dartmouth.edu/~alusardi/Papers/Liquidity\\_dec06.pdf](http://www.dartmouth.edu/~alusardi/Papers/Liquidity_dec06.pdf)
- Hussain, M. M., & Hoque, Z. (2002). Understanding non-financial performance measurement practices in Japanese banks: A new institutional sociology perspective. *Accounting, Auditing & Accountability Journal*, 15(2), 162–183. doi:10.1108/09513570210425583
- ILO. (2002). *Women entrepreneurs in Tanzania*. Dar es Salaam. Retrieved from [www.yef africa.org/resources/?eID=dam\\_frontend\\_push&docID=61](http://www.yef africa.org/resources/?eID=dam_frontend_push&docID=61)
- ILO. (2003a). *Ethiopian women entrepreneurs : Going for Growth*. Addis Ababa, Ethiopia. Retrieved from [http://www.cartierwomensinitiative.com/docs/Ethiopian\\_women\\_entrepreneurs\\_ILO.pdf](http://www.cartierwomensinitiative.com/docs/Ethiopian_women_entrepreneurs_ILO.pdf)
- ILO. (2003b). *Zambian women entrepreneurs : going for growth*. Lusaka. Retrieved from [http://www.cartierwomensinitiative.com/docs/Zambian\\_Women\\_entrepreneurs\\_ILO.pdf](http://www.cartierwomensinitiative.com/docs/Zambian_Women_entrepreneurs_ILO.pdf)
- Israel, G. D. (1992). *Determining Sample Size* (No. PEOD6) (pp. 1–5).
- Itani, H., Sidani, Y. M., & Baalbaki, I. (2011). United Arab Emirates female entrepreneurs: motivations and frustrations. *Equality, Diversity and*



*Inclusion: An International Journal*, 30(5), 409–424.  
doi:10.1108/02610151111150654

- Jesurajan, S. V. A., & Gnanadhas, M. E. (2011). A study on the factors motivating women to become entrepreneurs in Tirunelveli district. *Asian Journal of Business and Economics*, 1(1), 1–14. Retrieved from <http://www.onlineresearchjournals.com/ajbe/art/52.pdf>
- Judge, W. Q., & Miller, A. (1991). Antecedents and outcomes of decision speed in different environmental context. *Academy of Management Journal*, 34(2), 449–463.
- Kader, R. A., Mohamad, M. R. Bin, & Ibrahim, A. A. H. C. (2009). Success factors for small rural entrepreneurs under the one-district-one-industry programme in Malaysia. *Contemporary Management Research*, 5(2), 147–162. Retrieved from <http://www.cmr-journal.org/article/view/1173/0>
- Katsikeas, C. S., Leonidou, L. C., & Morgan, N. a. (2000). Firm-Level Export Performance Assessment: Review, Evaluation, and Development. *Journal of the Academy of Marketing Science*, 28(4), 493–511. doi:10.1177/0092070300284003
- Khandwalla, P. N. (1977a). Some top management styles, their context and performance. *Organization and Administrative Sciences*, 7(4), 21–51.
- Khandwalla, P. N. (1977b). *The Design of Organizations*. New York: Harcourt Brace Jovanovich.
- Kim, P. H., Aldrich, H. E., & Keister, L. a. (2006). Access (Not) Denied: The Impact of Financial, Human, and Cultural Capital on Entrepreneurial Entry in the United States. *Small Business Economics*, 27(1), 5–22. doi:10.1007/s11187-006-0007-x
- Kirchhoff, B. A. (1994). *Entrepreneurship and Dynamic Capitalism. The Economics of Business Firm Formation and Growth*. California: greenwood press.
- Korunka, C., Frank, H., Lueger, M., & Mugler, J. (2003). The entrepreneurial personality in the context of resources, environment, and the startup process—A configurational approach. *Entrepreneurship Theory and Practice*, 28(1), 23–42. doi:10.1111/1540-8520.00030
- Krauss, S. I., Frese, M., Friedrich, C., & Unger, J. M. (2005). Entrepreneurial orientation: A psychological model of success among southern African small business owners. *European Journal of Work and Organizational Psychology*, 14(3), 315–344. doi:10.1080/13594320500170227
- Kreiser, P., Marino, L., & Weaver, K. (2002). Assessing the Psychometric Properties of the Entrepreneurial Orientation Scale: A Multi-Country Analysis. *Entrepreneurship Theory and Practice*, 26(6), 71–95. Retrieved from

- Kuratko, D. F., & Hodgetts, R. M. (2004). *Entrepreneurship : theory process practice* (6th ed.). United Kingdom: Thomson South-Western,.
- Ladzani, W. M., & van Vuuren, J. J. (2002). Entrepreneurship Training for Emerging SMEs in South Africa. *Journal of Small Business Management*, 40(2), 154–161. doi:10.1111/1540-627X.00047
- Lawrence, P., & Lorsch, J. (1967). Differentiation and integration in complex organizations. *Administrative Science Quarterly*, 12(1), 1–47. Retrieved from <http://www.jstor.org/stable/2391211>
- Lee, C., Lee, K., & Pennings, J. M. (2001). Internal capabilities, external networks, and performance: a study on technology-based ventures. *Strategic Management Journal*, 22(6-7), 615–640. doi:10.1002/smj.181
- Lee, H., & Choi, B. (2003). Knowledge Management Enablers , Processes , and Organizational Performance : An Integrative View and Empirical Examination. *Journal of Management Information Systems*, 20(I), 179–228. Retrieved from <http://mesharpe.metapress.com/index/HWAF71LG2P2NPX3F.pdf>
- Lee, S. M., Lim, S., & Pathak, R. D. (2011). Culture and entrepreneurial orientation: a multi-country study. *International Entrepreneurship and Management Journal*, 7(1), 1–15. doi:10.1007/s11365-009-0117-4
- Li, Y., Zhao, Y., Tan, J., & Liu, Y. (2008). Moderating effects of entrepreneurial orientation on market orientation-performance linkage: evidence from Chinese small firms. *Journal of Small Business Management*, 46(1), 113–133.
- Lumpkin, G., & Dess, G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172. Retrieved from <http://amr.aom.org/content/21/1/135.short>
- Lumpkin, G., & Dess, G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5), 429–451. doi:10.1016/S0883-9026(00)00048-3
- Lyon, D., Lumpkin, G., & Dess, G. (2000). Enhancing entrepreneurial orientation research: Operationalizing and measuring a key strategic decision making process. *Journal of Management*, 26(5), 1055–1085. doi:10.1016/S0149-2063(00)00068-4
- Mahmood, S. (2011). Microfinance and women entrepreneurs in Pakistan. *International Journal of Gender and Entrepreneurship*, 3(3), 265–274. doi:10.1108/17566261111169340

- Malhotra, N. (1999). *Marketing Research: An Applied Orientation*. New Jersey: Prentice-Hall.
- Mann, C. K., Grindle, M. S., & Shipton, P. (1989). *Seeking solutions: Framework and cases for small enterprise development programs*. West Hartford: Kumarian Press,.
- Mansor, N. (2005). Woman in business: Determinants for venturing in Malaysians SMES. In *Proceeding of International Conference on Small and medium Size Enterprises in European Economies and All Over The World*. Clujj-Napoca, Romania.
- March, J. (1991). Exploration and exploitation in organizational learning. *Organization Science*, 2(S1), 71–87. Retrieved from <http://pubsonline.informs.org/doi/abs/10.1287/orsc.2.1.71>
- Marris, R. (1963). A Model of the “Managerial” Enterprise\*. *The Quarterly Journal of Economics*, 77(2), 185–209. doi:10.2307/1884399
- Mayoux, L. (2001). Tackling the down side: Social capital, women’s empowerment and micro-finance in cameroon. *Development and Change*, 32(3), 435–464. doi:10.1111/1467-7660.00212
- McClelland, E., Swail, J., Bell, J., & Ibbotson, P. (2005). Following the pathway of female entrepreneurs: A six-country investigation. *International Journal of Entrepreneurial Behaviour & Research*, 11(2), 84–107. doi:10.1108/13552550510590527
- McDougall, P. P., & Oviatt, B. M. (2000). International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, 43(5), 902–906. Retrieved from <http://amj.aom.org/content/43/5/902.short>
- McGrath, R. (2001). Exploratory learning, innovative capacity, and managerial oversight. *Academy of Management Journal*, 44(1), 118–131. Retrieved from <http://amj.aom.org/content/44/1/118.short>
- McKee, D. O., Varadarajan, P. R., & Pride, W. M. (1989). Strategic adaptability and firm performance: A market-contingent perspective. *Journal of Marketing*, 53(3), 21–35.
- Meier, R., & Pilgrim, M. (1994). Policy-induced constraints on small enterprise development in Asian countries. *Small Enterprise Development*, 5(2), 32–38. doi:10.3362/0957-1329.1994.017
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770–791. doi:10.1287/mnsc.29.7.770
- Miller, D. (2011). Miller (1983) revisited: A reflection on EO research and some suggestions for the future. *Entrepreneurship Theory and Practice*, 35(5), 873–894. doi:10.1111/j.1540-6520.2011.00457.x

- Miller, D., & Friesen, P. (1982). Innovation in conservative and entrepreneurial firms: Two models of strategic momentum. *Strategic Management Journal*, 3(1), 1–25. doi:10.1002/smj.4250030102
- Miller, D., & Friesen, P. (1983). Strategy-making and environment: The third link. *Strategic Management Journal*, 4(3), 221–235. doi:10.1002/smj.4250040304
- Mohamed, A. I. (2013). *Budgeting and performance in remittance companies in Mogadishu-Somalia*. Unpublished Bachelor Thesis: SIMAD University.
- Mordi, C., Simpson, R., Singh, S., & Okafor, C. (2010). The role of cultural values in understanding the challenges faced by female entrepreneurs in Nigeria. *Gender in Management: An International Journal*, 25(1), 5–21. doi:10.1108/17542411011019904
- Morris, M. H. (1998). *Entrepreneurial intensity: Sustainable advantages for individuals, organizations, and societies*. California: Greenwood Publishing Group.
- Morris, M. H., Kuratko, D. F., & Covin, J. G. (2008). *Corporate Entrepreneurship & Innovation*. Boston: Thompson South-Western.
- Naman, J. L., & Slevin, D. P. (1993). Entrepreneurship and the concept of fit: A model and empirical tests. *Strategic Management Journal*, 14(2), 137–153. doi:10.1002/smj.4250140205
- Nawaz, F. (2010). Nexus between women entrepreneurship development and empowerment: Bangladesh context. *Nepalese Journal of Public Policy and Governance*, 24(3), 62–74. Retrieved from <http://pactu.edu.np/contents/njpg/june2010/5-faraha-nawaz-nexus-between-women-entrepreneurship-development-and-empowerment--bangladesh-context.pdf>
- Nelson, B., & Coulthard, M. (2005). *DEPARTMENT OF MANAGEMENT WORKING PAPER SERIES* (No. 19/05) (pp. 1–12). Retrieved from <http://www.buseco.monash.edu.au/mgt/research/working-papers/2005/wp19-05.pdf>
- Newbert, S. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28(2), 121–146. doi:10.1002/smj
- Okafor, C., & Amalu, R. (2012). Motivational patterns and the performance of entrepreneurs: An empirical study of women entrepreneurs in South-West Nigeria. *International Journal of Applied Behavioral Economics*, 1(1), 29–40. doi:10.4018/ijabe.2012010103

- Okafor, C., & Mordi, C. (2010). Women entrepreneurship development in Nigeria: The effect of environmental factors. *Economic Sciences Series*, 10(4), 43–52. Retrieved from <http://eprints.covenantuniversity.edu.ng/2614/>
- Orhan, M., & Scott, D. (2001). Why women enter into entrepreneurship: An explanatory model. *Women in Management Review*, 16(5), 232–247. doi:10.1108/09649420110395719
- Palaniappan, G., Ramanigopal, C., & Mani, A. (2012). A study on problem and prospects of women entrepreneurs with special reference to Erode District. *Journal of Physical and Social Sciences*, 2(3), 219–230. Retrieved from [http://www.ijmra.us/project doc/IJPSS\\_MARCH2012/IJMRA-PSS862.pdf](http://www.ijmra.us/project doc/IJPSS_MARCH2012/IJMRA-PSS862.pdf)
- Penrose, E. (2009). *The theory of the growth of the firm* (4th ed.). Oxford: Oxford University Press.
- Peters, T. J., & Waterman, R. H. (1982). *In Search of excellence*. New York: Harper and Row.
- Qi, Y. (2010, February 18). *The impact of the budgeting process on performance in small and medium-sized firms in China*. University of Twente, Enschede, The Netherlands. Retrieved from <http://purl.org/utwente/doi/10.3990/1.9789036529839>
- Rao, T., Rao, T., & Ganesh, M. P. S. (2011). Women Entrepreneurship in India (a Case Study in Andhra Pradesh). *Journal of Commerce*, 3(3), 43–49. Retrieved from <http://www.i-scholar.in/index.php/Imrj/article/view/45440>
- Rasheed, A., & Prescott, J. (1992). Towards an objective classification scheme for organizational task environments. *British Journal of Management*, 3(4), 197–206. doi:10.1111/j.1467-8551.1992.tb00045.x
- Rauch, A., Wiklund, J., Frese, M., & Lumpkin, G. T. (2004). Entrepreneurial orientation and business performance: Cumulative empirical evidence. In W. D. Bygrave, C. G. Brush, M. L. Davidsson, G. D. Meyer, J. Fiet, J. Sohl, ... R. T. Harrison (Eds.), *Frontiers of Entrepreneurship Research*. Babson MA, USA: Babson College Entrepreneurship Research Conference.
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business Performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33, 761–787. doi:10.1111/j.1540-6520.2009.00308.x
- Reynolds, P. D. (1991). Sociology and Entrepreneurship: Concepts and Contributions, 47–71.
- Rhyne, L. (1986). The relationship of strategic planning to financial performance. *Strategic Management Journal*, 7(7), 423–436. doi:10.1002/smj.4250070504

- Robertson, C. C. (1998). Women Entrepreneurs? Trade and Gender Division of labor in Nairobi. In A. Spring & B. E. McDade (Eds.), *African Entrepreneurship: Theory and Reality* (pp. 109–127). Gainesville, Florida: University of Florida Press.
- Robertson, C., & Chetty, S. K. (2000). A contingency-based approach to understanding export performance. *International Business Review*, 9(2), 211–235. doi:10.1016/S0969-5931(99)00037-2
- Robson, C. (2002). *Real World Research: A Resource for Social Scientists and Practitioner-Researchers* (2nd ed.). Oxford: Wiley-Blackwell.
- Ronen, J. (1983). Some Insights into the Entrepreneurial Process. In J. Ronen (Ed.), *Entrepreneurship* (pp. 137–173). Lexington: Lexington Books.
- Roomi, M. A., & Harrison, P. (2010). Behind the veil: women-only entrepreneurship training in Pakistan. *International Journal of Gender and Entrepreneurship*, 2(2), 150–172. doi:10.1108/17566261011051017
- Roomi, M. a., & Parrott, G. (2008). Barriers to Development and Progression of Women Entrepreneurs in Pakistan. *Journal of Entrepreneurship*, 17(1), 59–72. doi:10.1177/097135570701700105
- Rosenberg, M. (1968). *The logic of survey analysis*. New York: Basic Books.
- Rundh, B. (2011). Linking flexibility and entrepreneurship to the performances of SMEs in export markets. *Journal of Manufacturing Technology Management*, 22(3), 330–347. doi:10.1108/17410381111112701
- Salancik, G., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly*, 23(2), 224–253. Retrieved from <http://www.jstor.org/stable/2392563>
- Salleh, Z., & Osman, M. H. M. (2007). Goal orientations and typology of women entrepreneurs. *Jurnal Kemanusiaan*, 10(2), 24–37. Retrieved from <http://eprints.utm.my/8128/>
- Sathe, V. (2003). *Corporate Entrepreneurship: Top Managers and New Business Creation*. Cambridge: Cambridge University Press.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research Methods for Business Students* (4th, ed.). Harlow, UK: Prentice Hall.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students* (5th ed.). Harlow, UK: Prentice Hall.
- Schillo, R. S. (2011). Entrepreneurial Orientation - What is it and How can it be Useful for Policy and Program Development? *Innovation & Entrepreneurship*, 1(5-6), 8–21.

- Schollhammer, H. (1982). Internal corporate entrepreneurship. In C. A. Kent, D. L. Sexton, & K. H. Vesper (Eds.), *Encyclopedia of entrepreneurship*. Englewood Cliffs, NJ: Prentice Hall.
- Sexton, D., & Bowman-Upton, N. (1987). A growth model of the firm based on market, owner, and strategic factors. In G. Hills (Ed.), *Research in the Marketing/Entrepreneurship Interface*. Marietta, GA: USASBE.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *The Academy of Management Review*, 25(1), 217–226. doi:10.5465/AMR.2000.2791611
- Shaver, K., & Scott, L. (1991). Person, process, choice: The psychology of new venture creation. *Entrepreneurship Theory and Practice*, 16(2), 23–45. Retrieved from [http://www.cemi.com.au/sites/all/publications/Shaver and Scott 1991.pdf](http://www.cemi.com.au/sites/all/publications/Shaver%20and%20Scott%201991.pdf)
- Singh, G., & Belwal, R. (2008). Entrepreneurship and SMEs in Ethiopia: Evaluating the role, prospects and problems faced by women in this emergent sector. *Gender in Management: An International Journal*, 23(2), 120–136. doi:10.1108/17542410810858321
- Smallbone, D., Johnson, S., Virk, B., & Hotchkiss, G. (2000). *Young entrepreneurs, women entrepreneurs, ethnic minority entrepreneurs and co-entrepreneurs in the European Union*. (Report): London.
- Stevenson, H. H., & Gumpert, D. . (1985). The heart of entrepreneurship. *Harvard Business Review*, 63(2), 85–94.
- Stevenson, H., & Jarillo, J. (1990). A paradigm of entrepreneurship: Entrepreneurial management. *Strategic Management Journal*, 11(S1), 17–27. Retrieved from [http://www.immagic.com/eLibrary/ARCHIVES/GENERAL/JOURNALS/unreadable\\_Journal Strategic Management 2486667.pdf](http://www.immagic.com/eLibrary/ARCHIVES/GENERAL/JOURNALS/unreadable_Journal Strategic Management 2486667.pdf)
- Stewart, A. (1991). A prospectus on the anthropology of entrepreneurship. *Entrepreneurship Theory and Practice*, 16(2), 71–91.
- Stoian, M.-C., Rialp, A., & Rialp, J. (2011). Export performance under the microscope: A glance through Spanish lenses. *International Business Review*, 20(2), 117–135. doi:10.1016/j.ibusrev.2010.07.002
- Stopford, J. M. (2001). Organizational learning as guided responses to market signals. In M. Dierkes, A. B. Antal, J. Child, & I. Nonaka (Eds.), *Handbook of Organizational Learning and Knowledge* (pp. 264–281). Oxford: Oxford University Press.
- Tang, H., Bowers, J. E., Wang, X., Ming, R., Alam, M., & Paterson, A. H. (2008). Synteny and Collinearity in Plant Genomes. *Science*, 320(5875), 486–488. doi:10.1126/science.1153917

- Terziovski, M. (2010). Innovation practice and its performance implications in small and medium enterprises (SMEs) in the manufacturing sector: A resource-based view. *Strategic Management Journal*, 31(8), 892–902. doi:10.1002/smj.841
- Timmons, J. A. (1989). *The Entrepreneurial Mind*. Boston: Irwin/McGraw-Hill.
- Tlaiss, H., & Kauser, S. (2010). Perceived organizational barriers to women's career advancement in Lebanon. *Gender in Management: An International Journal*, 25(6), 462–496. doi:10.1108/17542411011069882
- Tosi, H., Aldag, R., & Storey, R. (1973). On the Measurement of the Environment: An Assessment of the Lawrence and Lorsch Environmental Uncertainty Subscale. *Administrative Science Quarterly*, 18(1), 27–36. doi:http://www.jstor.org/stable/2391925
- Ullah, H., Ahmad, Z. M., Manzoor, S. R., Hussain, M., & Farooq, M. A. (2012). Problems faced by women entrepreneurs in Kohat city of Khyber Pakhtunkhwa-Pakistan. *International Journal of Human Resource Studies*, 2(1), 1–14. doi:10.5296/ijhrs.v2i1.1241
- UNICEF. (2013). *Somalia Monthly Report* (pp. 1–13). Retrieved from [http://www.unicef.org/appeals/files/UNICEF\\_Somalia\\_Monthly\\_Sitrep9\\_Sept2013.pdf](http://www.unicef.org/appeals/files/UNICEF_Somalia_Monthly_Sitrep9_Sept2013.pdf)
- Venkataraman, S. (1997). The distinctive domain of entrepreneurship research. *Advances in Entrepreneurship, Firm Emergence, and Growth*, 3(1), 119–138. Retrieved from [http://www.researchgate.net/publication/228316384\\_The\\_Distinctive\\_Domain\\_of\\_Entrepreneurship\\_Research/file/9c96052e7ccb98aa7e.pdf](http://www.researchgate.net/publication/228316384_The_Distinctive_Domain_of_Entrepreneurship_Research/file/9c96052e7ccb98aa7e.pdf)
- Venkataraman, N. (1989). Strategic orientation of business enterprises: The construct, dimensionality, and measurement. *Management Science*, 35(8), 942–962. Retrieved from <http://www.jstor.org/stable/2632149>
- Verbeeten, F. H. M. (2008). Performance management practices in public sector organizations: Impact on performance. *Accounting, Auditing & Accountability Journal*, 21(3), 427–454. doi:10.1108/09513570810863996
- Verdú-Jover, A. J., Lloréns-Montes, F. J., & García-Morales, ictor J. (2006). Environment–flexibility co-alignment and performance: An analysis in large versus small firms. *Journal of Small Business Management*, 44(3), 334–349. doi:10.1111/j.1540-627X.2006.00175.x
- Ward, S., & Lewandowska, A. (2005). Shelter in the storm: Marketing strategy as moderated by the hostile environment. *Marketing Intelligence & Planning*, 23(7), 670–687. doi:10.1108/02634500510630203
- Weygandt, J. j., Kimmel, P. D., & Kieso, D. E. (2012). *Accounting principles* (10th ed.). Boston: John Wiley & Sons.



- Wheeler, C., Ibeh, K., & Dimitratos, P. (2008). UK export performance research: Review and implications. *International Small Business Journal*, 26(2), 207–239. doi:10.1177/0266242607086574
- Wijbenga, F. H., & van Witteloostuijn, A. (2007). Entrepreneurial locus of control and competitive strategies – The moderating effect of environmental dynamism. *Journal of Economic Psychology*, 28(5), 566–589. doi:10.1016/j.joep.2007.04.003
- Wiklund, J. (1998). *Small firm growth and performance: Entrepreneurship and beyond*. Doctoral thesis: Jönköping International Business School, Jönköping, Sweden.
- Wiklund, J. (1999). The sustainability of the entrepreneurial orientation–performance relationship. *Entrepreneurship Theory and Practice*, 24(1), 37–48.
- Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13), 1307–1314. doi:10.1002/smj.360
- Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: a configurational approach. *Journal of Business Venturing*, 20(1), 71–91. doi:10.1016/j.jbusvent.2004.01.001
- Williams, C. C., & Gurtoo, A. (2011). Women entrepreneurs in the Indian informal sector: Marginalisation dynamics or institutional rational choice? *International Journal of Gender and Entrepreneurship*, 3(1), 6–22. doi:10.1108/17566261111114953
- Yamada, J. (2004). A multi-dimensional view of entrepreneurship: Towards a research agenda on organisation emergence. *Journal of Management Development*, 23(4), 289–320. doi:10.1108/02621710410529776
- Yamada, K., & Eshima, Y. (2009). Impact of entrepreneurial orientation: Longitudinal analysis of small technology firms in Japan. *Academy of Management Proceedings*, 1(1), 1–6. doi:10.5465/AMBPP.2009.44243059
- Yeoh, P., & Jeong, I. (1995). Contingency relationships between entrepreneurship, export channel structure and environment: a proposed conceptual model of export performance. *European Journal of Marketing*, 29(8), 95–115. doi:10.1108/03090569510097574
- Yeoh, P. L. (1994). Entrepreneurship and export performance: a proposed conceptual model. *Advances in International Marketing*, 6, 43–68.
- Yin, R. K. (1994). Discovering the future of the case study method in evaluation research. *Evaluation Practice*, 15(3), 283–290. doi:10.1016/0886-1633(94)90023-X

- Yusuf, A. (2002). Environmental uncertainty, the entrepreneurial orientation of business ventures and performance. *International Journal of Commerce and Management*, 12(3/4), 83–103. doi:10.1108/eb047454
- Zahra. (1991). Predictors and financial outcomes of corporate entrepreneurship: An exploratory study. *Journal of Business Venturing*, 6(4), 259–285. doi:10.1016/0883-9026(91)90019-A
- Zahra, S. (1996). Technology strategy and financial performance: examining the moderating role of the firm's competitive environment. *Journal of Business Venturing*, 11(3), 189–219. doi:10.1016/0883-9026(96)00001-8
- Zahra, S. A. (1993). Environment, corporate entrepreneurship, and financial performance: A taxonomic approach. *Journal of Business Venturing*, 8(4), 319–340. doi:10.1016/0883-9026(93)90003-N
- Zahra, S. A., & Covin, J. G. (1993). Business strategy, technology policy and firm performance. *Strategic Management Journal*, 14(6), 451–478. doi:10.1002/smj.4250140605
- Zahra, S. A., & Garvis, D. (2000). International corporate entrepreneurship and firm performance: The moderating effect of international environmental hostility. *Journal of Business Venturing*, 15(5-6), 469–492. doi:10.1016/S0883-9026(99)00036-1
- Zahra, S., & Bogner, W. (2000). Technology strategy and software new ventures' performance: exploring the moderating effect of the competitive environment. *Journal of Business Venturing*, 15(2), 135–173. doi:0.1016/S0883-9026(98)00009-3
- Zahra, S., & Covin, J. G. (1995). Contextual influences on the corporate entrepreneurship-performance relationship: A longitudinal analysis. *Journal of Business Venturing*, 10(1), 43–58. doi:10.1016/0883-9026(94)00004-E



## Appendix A1- Questionnaire Cover Letter

SUDAN UNIVERSITY OF SCIENCE AND TECHNOLOGY  
COLLEGE OF POSTGRADUATE STUDIES

### QUESTIONNAIRE

**Dear respected respondent**

You are one of the potential respondents that we hope to seek assistance in completing the survey which is designed for academic paper. The data gathered of this survey attempts to understand (**Entrepreneurial orientation and performance of women entrepreneurs in Somalia: the moderating role of environmental determinants**). To this end we kindly request that you complete the following questionnaire regarding your opinion, your business Data and knowledge you have to subject under investigation. It should take no longer than 20 minutes of your time. Although your response is of the utmost importance to me, your participation in this survey is entirely voluntary.

Please do not enter your name or contact details on the questionnaire. It remains anonymous. Information provided by you remains confidential and will be reported only as academic format only.

**If you have any questions, comments please contact Mr. Ali Yassin sheikh at 0612225577.**

Yours sincerely

Ali Yassin Sheikh-Ali  
PhD candidate

# Appendix A2- Questionnaire

## 1. Profile of Somali Women entrepreneurs

### A. Demographic Profile

#### 1. Age

a) 25-35  b) 36-45  46- and above

#### 2. At what age did you start your own business

a) Less than 20  21-30  31-40  41-and above

#### 3. Marital status

a) Single  Married  Divorced

#### 4. Educational Level

a) Primary  Secondary  Diploma  Degree

#### 5. Experience

a) 1-5 years  5-10 years  Above 10

#### 6. Do you have a husband?

a) Yes  No

#### 7. Do you have any children? (Own or dependents)

a) Yes  b) No

#### 8. If yes, please give details.

a) 1-3 Children  4-6 children  7-9 children  10 > children

#### 9. Respondent region

a) Banadir  South-central  Puntland  Somaliland

### B. Business Profile

#### 1. Ownership

a. Owner  Employee

#### 2. What is the size of your company?

a. Micro enterprise (1-9 employees)  Small enterprise (10-49 employees)

b. Medium enterprise (50-249 employees)

#### 3. What industry are you in?

a. Professional services (eg. Accounting, consulting)

b. Hairdressing  Hotel and restaurant  Transportation

c. Retail  Wholesale

6. How would you classify the ownership of your business?

a. Sole proprietorship  Partnership

7. How was the business established?

a. Self-started  Purchased/Inherited

c. Others (please specify) \_\_\_\_\_

6. Are you a member of any registered (formal) business association or any (informal) business association that promote your business?

a) Yes  b) No

7. If yes, please specify their names and their form.

a) Formal \_\_\_\_\_

b) Informal \_\_\_\_\_

8. Do you get any support from local authorities?

a) Yes  b) No

9. If yes, what kind of support does you got?

a) Financial support  b) Regulations impose to the business

c) Entrepreneurship training  d) Ant-discrimination laws

e) Better access to information f) All of the above

g) Others (please specify) \_\_\_\_\_

## C: PROCESS OF STARTING A BUSINESS

1. Which of the following was your main reason for starting your own business?

a) Profit / making money  b) Did not want to work for others

c) Wants for control and freedom to make my own decisions  d) Social status

e) Self – achievement f) Confidence in the products / services offered

2. What are the main obstacles you are facing now in the running of your business?

a. No obstacles  b. Combining family and work life

c. Liquidity and other financial problems  time for training / upgrading skills

e. Gaining the acceptance / respect of people (internally and externally)

f. Others (please specify): \_\_\_\_\_

**3. How many hours per day do you dedicate to your business?**

- a) Less than 1 hour       b) 2-6 hours       c) 7-10 hours   
 d) 11-16 hours       e) Above 16 hours

**4. When you started your business, what were the main obstacles you faced?**

- a. No obstacles       b. a question of self-confidence (believing in your abilities)   
 c. financial questions (raising capital)       d.  of information / advice on how to start an enterprise  
 e. finding the  contacts for your business venture       f. combining family and work life

**5. Who do you ask for Business Advice?**

- a. Persons with relevant business experience       Fr  with experience in similar business   
 b. Spouse       Business Association       Relatives   
 Nobody

**2: ENTREPRENEURIAL ORIENTATION**

Please respond to the statements below regarding your level of agreement and disagreement in this five Likert scale measuring EO and Environmental factors by using the following scale where 1=strongly disagree, 2=disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree

No.	Statement	1	2	3	4	5
	<b>Innovation</b>					
1.	Our firm actively introduce improvements and innovations in our business					
2.	Changes in our product or service lines have been quite dramatic					
3.	Our firm encourages development of employees ideas for the purpose of business improvement					
	<b>Pro-activeness</b>					
4.	We always try to take initiative in every situation (e.g. against competitors, in projects, when working with others, etc.)					
5.	We initiate actions to which competitors then respond					
6.	It is very often that our business is the first to introduce new products, services, administrative techniques, etc.					
	<b>Risk –Taking</b>					
7.	People in our business are encouraged to take calculated risks with new ideas.					
8.	There is a strong proclivity, in our firm, for high-risk projects.					
9.	Typically we adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities.					
	<b>ENVIRONMENTAL DETERMINANTS (MV)</b>					
1.	In our industry, actions of competitors are unpredictable					
2.	In our industry, demand and customers tastes are unpredictable					
3.	Declining markets for products/ services are a major challenge in our Industry.					
4.	Tough price competition is major challenge in our industry.					
5.	Our business environment causes a great deal of threat to survival of our firm.					
6.	Political instability is a major challenge in our industry					

Table continues

Table (continued)

No.	Statement	1	2	3	4	5
<b>Environmental dynamism</b>						
7.	The rate of products/Service obsolete in our industry is high					
8.	In our industry methods of production and selling strategies change often and in major ways					
9.	Our firm must change its marketing practices frequently					
<b>Environmental Heterogeneity</b>						
10.	We are a highly diversified conglomerate and operate in unrelated industries.					
11.	Customers' buying habits vary a great deal from one line of our business to other.					
12.	Market dynamism and uncertainty vary a great deal from one line of our business to other.					

#### 4: FIRM PERFORMANCE

The following pertain to the satisfaction with performance areas of your firm. Please review each of the following and select a number between 1 and 5 that best represents your views. Selecting a 1 indicates that you are highly dissatisfied with the performance of your firm, selecting a 5 indicates that you are highly satisfied with the performance of your firm, and a selection of 3 indicates neutrality. Identify your rating of satisfaction with:

No	Financial performance	1	2	3	4	5
<b>Liquidity Measures</b>						
1	How do you rate your business' ability to pay its bills within 3 to 12 months?					
2	The current assets of the company are more than the current liabilities					
3	The book values of current assets & current liabilities are equal with their market values					
4	It takes longer than one year to convert current assets (inventories & receivables) into cash					
5	In my experience, there were times I could not pay the rentals, electricity & the balance owed by the supplier					
6	The current balance of the liability were borrowed before one year					
<b>Profitability Measures:</b>						
1	My business is relatively experiencing high profit margin because our sales are greater than the cost of purchases & sales.					
2	The amount of my current assets is larger than the original investment at the time of business start.					
3	The share I invested at the beginning of this business has grown larger than the original amount.					
4	My business experiences losses from time to time					
5	I lost part of my capital in the process of doing this business					

For the following criteria and on a scale from 1 (top 20%) to 5 (lowest 20%), how would you rank your company relative to your closest competitors in your industry for the last three years?

No	NON FINANCIAL INDICATORS					
1	Budget goal achievement					
2	Overall customer/client satisfaction					
3	Development of new products and services					
4	Market share					

**END**



## Appendix A3- Conference certificates



# CERTIFICATE OF PRESENTATION

This is to certify that

**Mr. Ali Yassin Sheikh Ali**

Has Presented His/Her Paper at

**AUST's 2<sup>nd</sup> Technosphere in 2012 Conference  
and AGBA's 9<sup>th</sup> World Congress**

Held at Ajman University of Science & Technology, UAE

On March 19 - 21, 2012

**Prof. Zafar U. Ahmed**  
President and CEO  
Academy for Global Business  
Advancement, USA

**Prof. Mohamed Ali Al Shami**  
Dean, College of Business  
Administration, Ajman University of  
Science & Technology, UAE

**Prof. Norman Wright**  
Chairperson of AGBA Board of  
Trustees, USA

**Dr. Ahmed Ankit**  
Vice President for External Relations  
& Cultural Affairs, Ajman University  
of Science & Technology, UAE

KUALA LUMPUR INTERNATIONAL BUSINESS, ECONOMICS & LAW CONFERENCE



This certificate is presented to

**Ali Yassin Sheikh Ali**

in recognition of his/her participation as

**PRESENTER**

in

**KUALA LUMPUR INTERNATIONAL BUSINESS,  
ECONOMICS AND LAW CONFERENCE 3**

**"PROTECTING ENVIRONMENT THROUGH BUSINESS,  
ECONOMICS & LAW"**

**2 - 3 December 2013**

**Hotel Putra, Kuala Lumpur, Malaysia**



**Zesdyzar Hj Rokman**  
Chairman KLIBEL2013



**Dr. Mohd Rizal Palil**  
Co-Chairman KLIBEL2013

Organised by



[www.klibel.com](http://www.klibel.com)

In Collaboration with



membarakan jiwa & minda





# ISEB-2013

## CONFERENCE

*Entrepreneurship Ecosystem in Transitioning Economy: Deliberating Strategies*

### Certificate of Participation

Present To

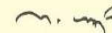
**ALI YASSIN SHEIKH ALI**

for participating in 2<sup>nd</sup> INTERNATIONAL SEMINAR ON  
ENTREPRENEURSHIP AND BUSINESS (ISEB) at Crown Garden

Hotel, Malaysia on 15<sup>th</sup> December 2013



Prof. Dr. Mohamed Dahlan Ibrahim  
Dean of Faculty of Entrepreneurship and Business  
Universiti Malaysia Kelantan



Assoc. Prof Dr. Mohd Rafi Yaacob  
2<sup>nd</sup> ISEB Conference Chair  
Universiti Malaysia Kelantan



# CERTIFICATE OF ATTENDANCE

*Hereby certify that*

**ALI YASSIN SHEIKH ALI**

**Has Presented Research**

*in*

**ASEAN Entrepreneurship Conference  
(AEC2012)**

**November 5 – 6, 2012**

*at*

**Sunway Resort Hotel & Spa  
Kuala Lumpur**

**PROFESSOR DR RAZMI CHIK**

Assistant Vice-Chancellor (Entrepreneurship)  
Malaysian Academy Of SME & Entrepreneurship Development (MASMED)  
Universiti Teknologi MARA



The Asian Conference on Arts and Cultures

This is to certify that

Ali Yassin Sheikh Ali

has attended and presented the paper at  
the Asian Conference on Arts and Cultures 2013  
at Srinakharinwirot University  
on June 13 -14, 2013

Associate Professor Prit Supasetsiri  
Chairman  
The Asian Conference on Arts and Cultures





# Certificate of Participation

This certificate is presented in recognition of

*Ali Yassin Sheikh Ali*

as a

**PRESENTER**

**BIENNIAL INTERNATIONAL CONFERENCE ON MEDIA AND COMMUNICATION (MENTION 13)**

Media and Communication Transformation: Synergising Communities,  
Government and Industries

26 - 28 November 2013  
Universiti Kebangsaan Malaysia

**DATO' DR. ROTHIAH OMAR**  
Deputy Secretary General I  
Ministry of Communications & Multimedia Malaysia

**PROF. DR. MAZITA AZMAN**  
Dean, Faculty of Social Sciences & Humanities  
Universiti Kebangsaan Malaysia

Jointly organised by



## Appendix A4- Publication during PhD Candidature

1. Ismail Sheikh Yusuf Dhaha, & Ali Yassin Sheikh Ali (2014). **Behavioral Intention and Satisfaction with 3G Technology among Students in Somalia: A Structural Equation Modeling Study.** *World Applied Sciences Journal* 32 (2): 243-252.
2. Ali Yassin Sheikh Ali & Ibrahim Hassan Ibrahim (2014). **The Impact of Leadership Style on Corporate Innovation: Survey from Telecommunication Industry in Somalia.** *International Journal of Academic Research in Management (IJARM)*, 3(3), 233-241.
3. Ali Yassin Sheikh-Ali & Abdirisq Ibrahim Mohamed. (2014). **Service quality provided by higher education institutions in Somalia and its impact on student satisfaction.** *European Journal of Business and Management*, 6(11), 143-148.
4. Ali Yassin Sheikh-Ali & Mohamed, Abdirisq Ibrahim. (2014). **Assessing the financial accountability of the Somali federal government organizations.** *Public Policy and Administration Research* 4 (2), 61-66.
5. Ali Yassin Sheikh-Ali & Abdel Hafiez Ali. (2014). **Entrepreneurial orientation and performance of women owned and managed micro and small enterprises in Somalia.** *Zenith International Journal of Business Economics & Management Research*, 4(1), 25-36.
6. Ali Yassin Sheikh Ali & Ismail Sheikh Yusuf Dhaha. (2014). **Factors influencing mobile money transfer adoption among Somali students.** *International Journal of Business, Economics and Law*, 4(1), 180-188.
7. Ali Yassin Sheikh-Ali & Abdel Hafiez Ali. (2013). **Entrepreneurship Development and Poverty Reduction: Empirical Survey from Somalia.** *American International Journal of Social Science* 2(3), 108-113.
8. Ali Yassin Sheikh-Ali, Abdel Hafiez, & Abdimajid Omar Abu-Hadi. (2013). **The Accessibility of Microfinance for Small Businesses in Mogadishu, Somalia.** *International Journal of Humanities and Social Science* 3(11), 172-180.
9. Abdel Hafiez Ali & Ali Yassin Sheikh Ali. (2013). **Motivational factors of Somali women entrepreneurs in Banadir region.** *Academic Research International*, 4(1). 59-72.
10. Ali Yassin Sheikh-Ali & Abdel Hafiez Ali. (2013). **Challenges and constraints faced by Somali women entrepreneurs.** *Interdisciplinary Journal of Contemporary Research in Business* 5(2), 436-441.
11. Ali Yassin Sheikh Ali & Hussein Abdi Mahamud (2013). **Motivational Factors and Performance of Women Entrepreneurs in Somalia.** *Journal of Education and Practice* 4.17 (2013): 47-53.

12. Abdi Aziz Mohamed & Ali Yassin Sheikh Ali. (2013). **Innovation and business performance in telecommunication industry in Sub-Saharan African context: case of Somalia.** *Asian journal of management sciences & Education*, 2(4), 153-167.
13. Mohamed, Abdirisak Ibrahim, and Ali Yassin Sheikh Ali. (2013). **Relationship between budgeting and performance of remittance companies in Somalia.** *Educational Research International*, 2.1 (2013): 106-115.
14. Ali, Ali Yassin Sheikh, Abdiaziz Abdi Ali, &Abdiqani Ali Adan. (2013). **Working conditions and employees productivity in manufacturing companies in Sub-Saharan African context: case of Somalia.** *Educational Research International*, 2(2), 67-78.
15. Ali, Ali Yassin Sheikh, Mohamed AbdiazizSidow, &Hamdi Salad Guleid. (2013). **Leadership Styles and Job Satisfaction: Empirical Evidence from Mogadishu Universities.** *European Journal of Management Sciences and Economics* 1(1), 1-10.
16. Ali Yassin Sheikh Ali (2013). **Why Somali women enter into entrepreneurship.** Somali Business Review.
17. Ali Yassin Sheikh Ali. (2012). **The role of entrepreneurship to economic development.** Somali Business Review.
18. Ali Yassin Sheikh Ali, &JamaAbdullahiAnshur. (2012). **Entrepreneurship Contribution to Economic Growth: An Empirical Study on Banadir Region.** *International Journal of Business and Management Tomorrow*, 2(9), 1-8.
19. Ali Yassin Sheikh, Abdirisak Osman NurreAwdini, & Hassan DahirMohamudAdan. (2012). **The Effect of Globalization on Local Industries: A Case of Mogadishu Manufacturers.** *International Journal of Business and Management Tomorrow*, 2(11), 1-9.
20. Ali Yassin Sheikh Ali (2012). **Changing role of women in Somalia: an empirical survey of social and economic contribution of Somali women entrepreneurs in Banadir region.** *Academic Research International*, 3(1), 311-321.



## Appendix A5- Seminar Notice

بسم الله الرحمن الرحيم  
جامعة السودان للعلوم والتكنولوجيا  
كلية الدراسات التجارية  
قسم إدارة الأعمال

# إعلان سمنار

سوف يعقد بإذن الله تعالى سمنار لنيل درجة الدكتوراة في  
إدارة الأعمال بعنوان :

**Entrepreneurial Orientation And Performance Of  
Women Entrepreneurs In Somalia: The Moderating  
Effect Of Environmental Determinants**

تقديم الباحث : علي ياسين شيخ علي

المشرف : ا. عبدالحفيظ علي حسب الله

المكان : قاعة السمنارات بكلية الدراسات التجارية

الزمان : الأثنين الموافق: 2014/1/20م الساعة الواحدة ظهراً.

الدعوة عامة لكل الطلاب والمهتمين

## Appendix A6- Time framework

### Activities

Year :	2012											
Months number	1	2	3	4	5	6	7	8	9	10	11	12
Proposal writing and college acceptances												
First meeting with Supervisor												
Conference 1 (Emirates)												
Read literature review(Ch2)												
Finalize chapter two readings and collection and interpretations												
Draft literature review												
Chapter submission to supervisor												
Conferences 2( Malaysia)												

Year	2013											
Month Number	1	2	3	4	5	6	7	8	9	10	11	12
Second Meeting With Supervisor												
Draft theoretical framework of research (Ch3)												
Develop questionnaire												
Conference 3 (Thailand)												
Data Collection												
Data Analysis												
Conference 4,5,6 (Kuala Lumpur and Kelantan)												

Year	2014											
Month Number	1	2	3	4	5	6	7	8	9	10	11	12
Third Meeting With Supervisor												
Data presentation (Seminar)												
Writing Ch4 and Ch5												
Submit all chapters to the Co-supervisor												
Revise supervisors instructions,												
Submit the dissertation To CPGS												
Examiner's Reading												
PhD Defense												
Finalizing and Binding												

## A7-BUDEGT

No	Items	Unit	Cost per unit	Total cost
<b>Education</b>				
1	Registration fee	1	500\$	500
2	Tuition fee	1	3500\$	3500
3	ID Cost	1	50\$	50
	<b>Sub-total</b>			<b>4050</b>
<b>Travel</b>				
1	Airfare to Khartoum	4	1300\$	5200
2	Lodging in Khartoum	4	800\$	3200
3	Entry Visa	3	50\$	150
4	Foreign registration	3	100\$	300
5	Residence	1	150\$	150
6	Exit Visa	4	100\$	400
	<b>Sub-total</b>			<b>9400</b>
<b>Conferences</b>				
1	<b>AGBA (Emirates)</b>			
	Registration	1	400\$	400
	Accommodation	1	600\$	600
	Air ticket	1	900\$	900
2	<b>ACAC(Thailand)</b>			
	Registration	1	350\$	350
	Air ticket	1	1300\$	1300
3	<b>Malaysia(2012)</b>			
	Registration	1	300\$	300
	Air ticket	1	1250\$	1250
4	<b>Malaysia (2013)</b>			
	Registration	3	250\$	750
	Air ticket	1	1250\$	1250
	Accommodation	1	1000\$	1000\$
	Workshop	1	100	100
	Bus to Kelantan	1	100	100
	<b>Sub-total</b>			<b>8300</b>
<b>Supplies and Materials</b>				
1	Computer	1	450\$	450
2	Hard disk	2	60	120
	<b>Sub-total</b>			<b>570</b>

Table continues

Table (continued)

	<b>Data Collections and Publication</b>			
1	Data collection incentives	500	2\$	1000
2	Publications (2012)	3	150	450
3	Publications (2013)	9	200	1800
4	Publications (2014)	5	200	1000
	<b>Sub-Total</b>			<b>4250</b>
	<b>Printing and Dissemination</b>			
1	Printing Articles	800	200\$	200
2	Printing Questionnaires	500	0.3\$	150
3	Thesis first Draft	4	50\$	50
4	Printing and Binding final version	12	50\$	600
	<b>Sub-Total</b>			<b>1000</b>
	<b>Total</b>			<b>27570</b>

## Appendix B1- Regression between Innovation and Financial performance

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
firm_Financial_Performance	3.39	.756	314
Innovation	3.21	1.021	314

#### Correlations

		firm_Financial_Performance	Innovation
Pearson Correlation	firm_Financial_Performance	1.000	.417
	Innovation	.417	1.000
Sig. (1-tailed)	firm_Financial_Performance	.	.000
	Innovation	.000	.
N	firm_Financial_Performance	314	314
	Innovation	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Innovation <sup>a</sup>		Enter

a. All requested variables entered.

b. Dependent Variable: firm\_Financial\_Performance

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.417 <sup>a</sup>	.174	.171	.688	.174	65.787	1	312	.000	1.902

a. Predictors: (Constant), Innovation

b. Dependent Variable: firm\_Financial\_Performance

#### ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	31.155	1	31.155	65.787	.000 <sup>a</sup>
Residual	147.755	312	.474		
Total	178.910	313			

a. Predictors: (Constant), Innovation

b. Dependent Variable: firm\_Financial\_Performance

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	2.399	.128		18.689	.000	2.147	2.652		
	Innovation	.309	.038	.417	8.111	.000	.234	.384	1.000	1.000

a. Dependent Variable:  
firm\_Financial\_Performance

**Coefficient Correlations<sup>a</sup>**

Model			Innovation
1	Correlations	Innovation	1.000
	Covariances	Innovation	.001

a. Dependent Variable: firm\_Financial\_Performance

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Innovation
1	1	1.953	1.000	.02	.02
	2	.047	6.457	.98	.98

a. Dependent Variable: firm\_Financial\_Performance

**Casewise Diagnostics<sup>a</sup>**

Case Number	Std. Residual	firm_Financial_Performance	Predicted Value	Residual
37	3.330	5	2.71	2.291
198	-3.104	2	3.64	-2.136

a. Dependent Variable: firm\_Financial\_Performance

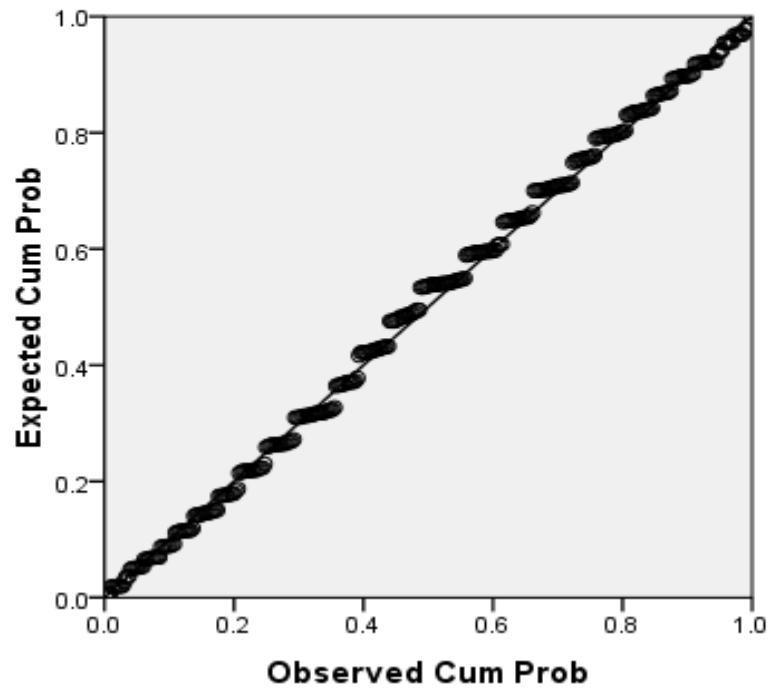
**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.71	3.94	3.39	.315	314
Residual	-2.136	2.291	.000	.687	314
Std. Predicted Value	-2.166	1.752	.000	1.000	314
Std. Residual	-3.104	3.330	.000	.998	314

a. Dependent Variable: firm\_Financial\_Performance

## Normal P-P Plot of Regression Standardized Residual

Dependent Variable: firm\_Financial\_Performance





## Appendix B2- Regression between Innovation and Non-Financial performance

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
Non_Financial_Perfor	3.66	.894	314
Innovation	3.21	1.021	314

#### Correlations

		Non_Financial_Perfor	Innovation
Pearson Correlation	Non_Financial_Perfor	1.000	.253
	Innovation	.253	1.000
Sig. (1-tailed)	Non_Financial_Perfor	.	.000
	Innovation	.000	.
N	Non_Financial_Perfor	314	314
	Innovation	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Innovation <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: Non\_Financial\_Perfor

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.253 <sup>a</sup>	.064	.061	.866	.064	21.403	1	312	.000	2.259

a. Predictors: (Constant), Innovation

b. Dependent Variable: Non\_Financial\_Perfor

#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.061	1	16.061	21.403	.000 <sup>a</sup>
	Residual	234.126	312	.750		
	Total	250.187	313			

a. Predictors: (Constant), Innovation

b. Dependent Variable: Non\_Financial\_Perfor

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	2.943	.162		18.212	.000	2.625	3.261		
Innovation	.222	.048	.253	4.626	.000	.128	.316	1.000	1.000

a. Dependent Variable: Non\_Financial\_Perfor

**Coefficient Correlations<sup>a</sup>**

Model	Innovation
1 Correlations	1.000
Covariances	.002

a. Dependent Variable: Non\_Financial\_Perfor

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Innovation
1	1	1.953	1.000	.02	.02
	2	.047	6.457	.98	.98

a. Dependent Variable: Non\_Financial\_Perfor

**Casewise Diagnostics<sup>a</sup>**

Case Number	Std. Residual	Non_Financial_Perfor	Predicted Value	Residual
223	-3.183	1	3.76	-2.757
256	-3.268	1	3.83	-2.831
310	-3.183	1	3.76	-2.757

a. Dependent Variable: Non\_Financial\_Perfor

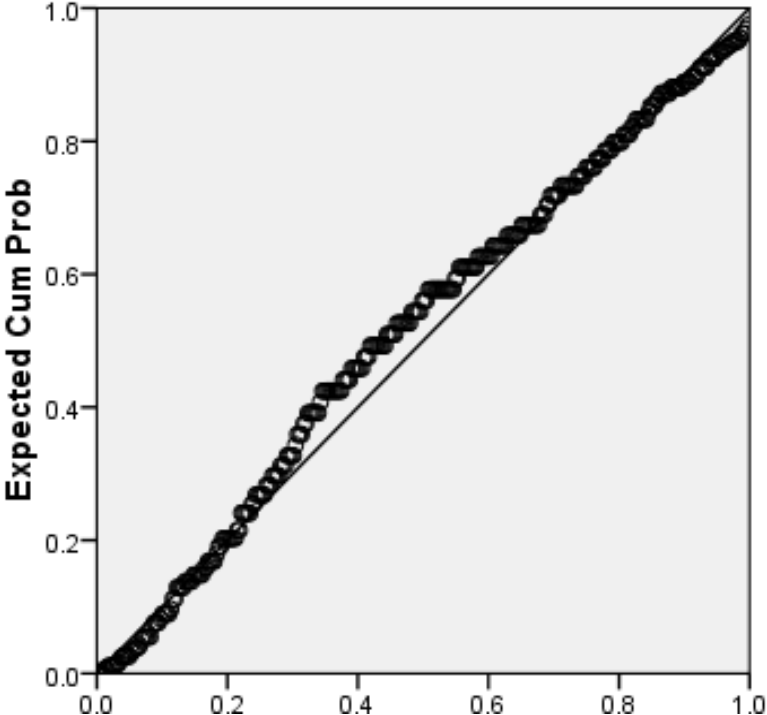
**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.17	4.05	3.66	.227	314
Residual	-2.831	1.687	.000	.865	314
Std. Predicted Value	-2.166	1.752	.000	1.000	314
Std. Residual	-3.268	1.947	.000	.998	314

a. Dependent Variable: Non\_Financial\_Perfor

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Non\_Financial\_Perfor



## Appendix B3- Regression between Pro-activeness and Financial performance

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
firm_Financial_Performance	3.39	.756	314
Proactiveness	2.97	.981	314

#### Correlations

		firm_Financial_Performance	Proactiveness
Pearson Correlation	firm_Financial_Performance	1.000	.496
	Proactiveness	.496	1.000
Sig. (1-tailed)	firm_Financial_Performance	.	.000
	Proactiveness	.000	.
N	firm_Financial_Performance	314	314
	Proactiveness	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Proactiveness <sup>a</sup>		Enter

a. All requested variables entered.

c. Dependent Variable: firm\_Financial\_Performance

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F Change	Durbin-Watson
					R Square Change	F Change	df1	df2		
1	.496 <sup>a</sup>	.246	.243	.658	.246	101.713	1	312	.000	1.839

a. Predictors: (Constant), Proactiveness

b. Dependent Variable: firm\_Financial\_Performance

#### ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	43.986	1	43.986	101.713	.000 <sup>a</sup>
Residual	134.924	312	.432		
Total	178.910	313			

a. Predictors: (Constant), Proactiveness

b. Dependent Variable: firm\_Financial\_Performance

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	2.259	.118		19.082	.000	2.026	2.491		
Pro-activeness	.382	.038	.496	10.085	.000	.308	.457	1.000	1.000

a. Dependent Variable: firm\_Financial\_Performance

**Coefficient Correlations<sup>a</sup>**

Model	Pro-activeness		
1	Correlations	Pro-activeness	1.000
	Covariances	Pro-activeness	.001

a. Dependent Variable: firm\_Financial\_Performance

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Proactiveness
1	1	1.950	1.000	.03	.03
	2	.050	6.218	.97	.97

a. Dependent Variable: firm\_Financial\_Performance

**Casewise Diagnostics<sup>a</sup>**

Case Number	Std. Residual	firm_Financial_Performance	Predicted Value	Residual
60	-3.028	2	3.69	-1.991

a. Dependent Variable: firm\_Financial\_Performance

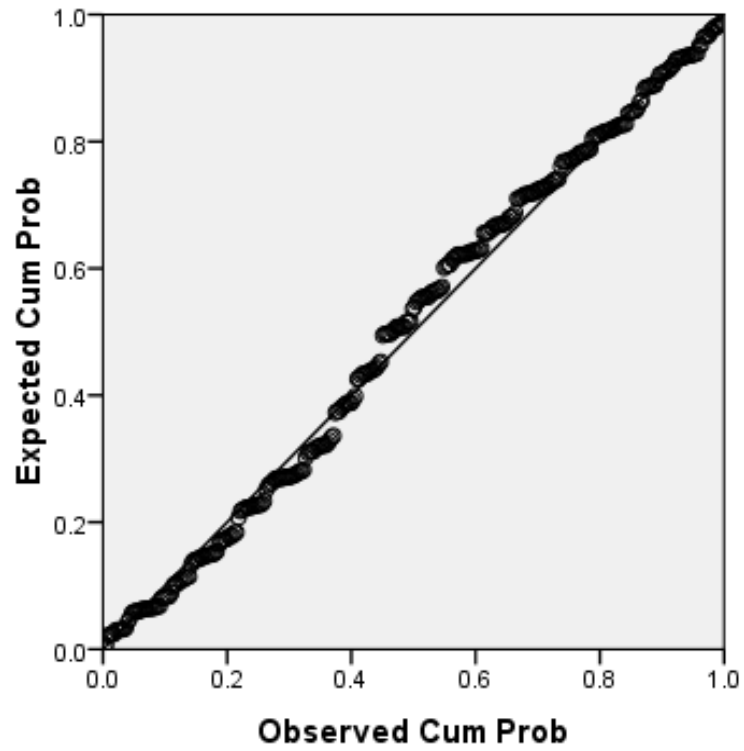
**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.64	4.17	3.39	.375	314
Residual	-1.991	1.477	.000	.657	314
Std. Predicted Value	-2.004	2.073	.000	1.000	314
Std. Residual	-3.028	2.246	.000	.998	314

a. Dependent Variable: firm\_Financial\_Performance

## Normal P-P Plot of Regression Standardized Residual

Dependent Variable: firm\_Financial\_Performance



## Appendix B4- Regression between Pro-activeness and Non-Financial performance

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
Non_Financial_Perfor	3.66	.894	314
Proactiveness	2.97	.981	314

#### Correlations

		Non_Financial_Perfor	Proactiveness
Pearson Correlation	Non_Financial_Perfor	1.000	.289
	Proactiveness	.289	1.000
Sig. (1-tailed)	Non_Financial_Perfor	.	.000
	Proactiveness	.000	.
N	Non_Financial_Perfor	314	314
	Proactiveness	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Proactiveness <sup>a</sup>		Enter

a. All requested variables entered.

b. Dependent Variable: Non\_Financial\_Perfor

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.289 <sup>a</sup>	.083	.080	.857	.083	28.338	1	312	.000	2.203

a. Predictors: (Constant), Proactiveness

b. Dependent Variable: Non\_Financial\_Perfor

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.832	1	20.832	28.338	.000 <sup>a</sup>
	Residual	229.355	312	.735		
	Total	250.187	313			

a. Predictors: (Constant), Proactiveness

b. Dependent Variable: Non\_Financial\_Perfor

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	2.876	.154		18.637	.000	2.572	3.180		
Proactiveness	.263	.049	.289	5.323	.000	.166	.360	1.000	1.000

a. Dependent Variable:  
Non\_Financial\_Perfor

**Coefficient Correlations<sup>a</sup>**

Model		Proactiveness
1	Correlations	Proactiveness 1.000
	Covariances	Proactiveness .002

a. Dependent Variable: Non\_Financial\_Perfor

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Proactiveness
1	1	1.950	1.000	.03	.03
	2	.050	6.218	.97	.97

a. Dependent Variable: Non\_Financial\_Perfor

**Casewise Diagnostics<sup>a</sup>**

Case Number	Std. Residual	Non_Financial_Perfor	Predicted Value	Residual
223	-3.415	1	3.93	-2.928
256	-3.185	1	3.73	-2.731

a. Dependent Variable: Non\_Financial\_Perfor



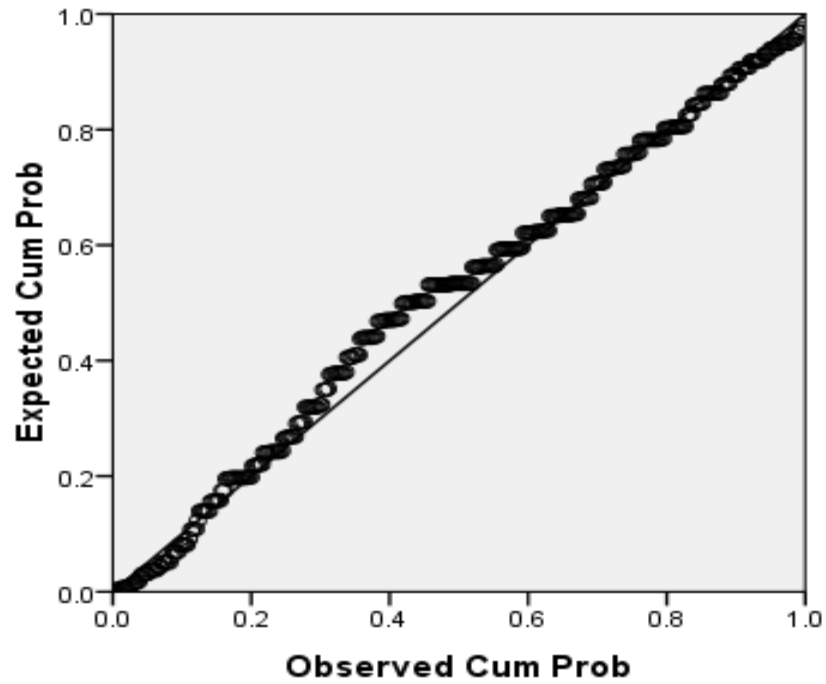
**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.14	4.19	3.66	.258	314
Residual	-2.928	1.795	.000	.856	314
Std. Predicted Value	-2.004	2.073	.000	1.000	314
Std. Residual	-3.415	2.094	.000	.998	314

a. Dependent Variable: Non\_Financial\_Perfor

**Normal P-P Plot of Regression Standardized Residual**

**Dependent Variable: Non\_Financial\_Perfor**



## Appendix B5- Regression between Environmental Determinants and firm performance

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
Firm_ Performance	3.52	.728	314
Dynamism	3.15	.998	314
Hostility	3.49	.976	314
Heterogeneity	3.50	1.033	314

#### Correlations

		Firm_ Performance	Dynamism	Hostility	Heterogeneity
Pearson Correlation	Firm_ Performance	1.000	.258	.578	.595
	Dynamism	.258	1.000	.219	.267
	Hostility	.578	.219	1.000	.565
	Heterogeneity	.595	.267	.565	1.000
Sig. (1-tailed)	Firm_ Performance	.	.000	.000	.000
	Dynamism	.000	.	.000	.000
	Hostility	.000	.000	.	.000
	Heterogeneity	.000	.000	.000	.
N	Firm_ Performance	314	314	314	314
	Dynamism	314	314	314	314
	Hostility	314	314	314	314
	Heterogeneity	314	314	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Heterogeneity, Dynamism, Hostility		Enter

a. All requested variables entered.

b. Dependent Variable: Firm\_ Performance

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.668 <sup>a</sup>	.446	.441	.545	.446	83.228	3	310	.000	1.841

a. Predictors: (Constant), Heterogeneity, Dynamism, Hostility

b. Dependent Variable: Firm\_ Performance

**ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	74.082	3	24.694	83.228	.000 <sup>a</sup>
Residual	91.979	310	.297		
Total	166.061	313			

a. Predictors: (Constant), Heterogeneity, Dynamism, Hostility

b. Dependent Variable: Firm\_Performance

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	1.502	.142		10.578	.000	1.222	1.781		
Dynamism	.060	.032	.082	1.853	.065	-.004	.123	.922	1.085
Hostility	.258	.038	.346	6.731	.000	.183	.334	.676	1.480
Heterogeneity	.266	.037	.378	7.262	.000	.194	.339	.659	1.517

a. Dependent Variable: Firm\_Performance

**Coefficient Correlations<sup>a</sup>**

Model		Heterogeneity	Dynamism	Hostility
1 Correlations	Heterogeneity	1.000	-.178	-.539
	Dynamism	-.178	1.000	-.086
	Hostility	-.539	-.086	1.000
Covariances	Heterogeneity	.001	.000	.000
	Dynamism	.000	.001	.000
	Hostility	.000	.000	.001

a. Dependent Variable: Firm\_Performance

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Dynamism	Hostility	Heterogeneity
1	1	3.858	1.000	.00	.01	.00	.00
	2	.073	7.252	.00	.74	.12	.12
	3	.037	10.183	.64	.16	.04	.55
	4	.031	11.103	.35	.10	.84	.32

a. Dependent Variable: Firm\_Performance

**CasewiseDiagnostics<sup>a</sup>**

Case Number	Std. Residual	Firm_Performance	Predicted Value	Residual
1	-3.117	2	3.80	-1.698
223	-3.064	2	3.82	-1.669
256	-3.688	2	3.86	-2.009

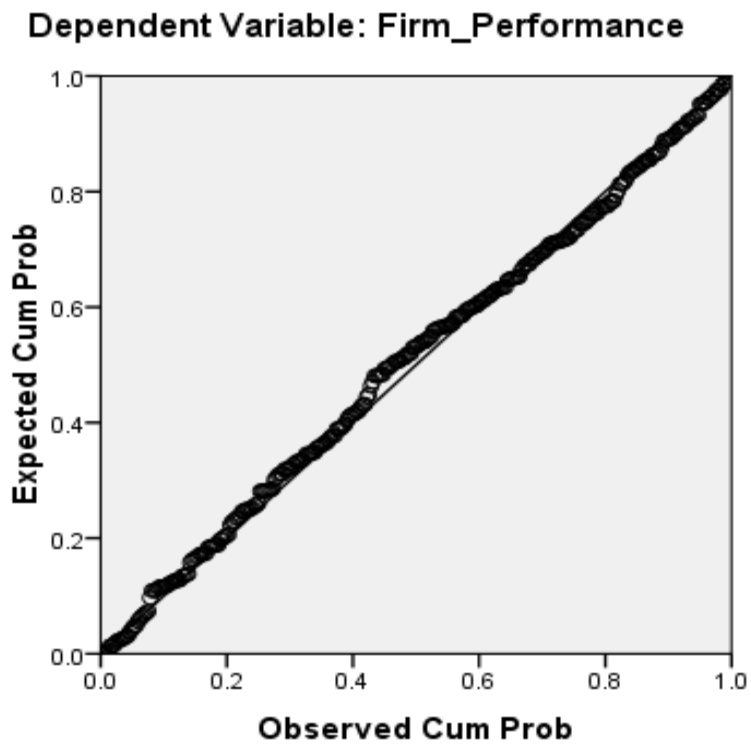
a. Dependent Variable: Firm\_Performance

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.09	4.42	3.52	.487	314
Residual	-2.009	1.549	.000	.542	314
Std. Predicted Value	-2.956	1.848	.000	1.000	314
Std. Residual	-3.688	2.843	.000	.995	314

a. Dependent Variable: Firm\_Performance

**Normal P-P Plot of Regression Standardized Residual**



## Appendix B6- Regression between Environmental Determinants and Entrepreneurial orientation

### Regression

#### Descriptive Statistics

	Mean	Std. Deviation	N
EO	3.09	.870	314
Dynamism	3.15	.998	314
Hostility	3.49	.976	314
Heterogeneity	3.50	1.033	314

#### Correlations

		EO	Dynamism	Hostility	Heterogeneity
Pearson Correlation	EO	1.000	.205	.320	.331
	Dynamism	.205	1.000	.219	.267
	Hostility	.320	.219	1.000	.565
	Heterogeneity	.331	.267	.565	1.000
Sig. (1-tailed)	EO	.	.000	.000	.000
	Dynamism	.000	.	.000	.000
	Hostility	.000	.000	.	.000
	Heterogeneity	.000	.000	.000	.
N	EO	314	314	314	314
	Dynamism	314	314	314	314
	Hostility	314	314	314	314
	Heterogeneity	314	314	314	314

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Heterogeneity, Dynamism, Hostility <sup>a</sup>		. Enter

a. All requested variables entered.

b. Dependent Variable: EO

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.384 <sup>a</sup>	.147	.139	.807	.147	17.837	3	310	.000	.936

a. Predictors: (Constant), Heterogeneity, Dynamism, Hostility

b. Dependent Variable: EO

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.856	3	11.619	17.837	.000 <sup>a</sup>
	Residual	201.929	310	.651		
	Total	236.785	313			

a. Predictors: (Constant), Heterogeneity, Dynamism, Hostility

b. Dependent Variable: EO

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF	
1 (Constant)	1.627	.210		7.734	.000	1.213	2.041			
	Dynamism	.098	.048	.113	2.063	.040	.005	.192	.922	1.085
	Hostility	.164	.057	.184	2.883	.004	.052	.276	.676	1.480
	Heterogeneity	.166	.054	.197	3.050	.002	.059	.273	.659	1.517

a. Dependent Variable:

EO

**Coefficient Correlations<sup>a</sup>**

Model		Heterogeneity	Dynamism	Hostility	
1	Correlations	Heterogeneity	1.000	-.178	-.539
		Dynamism	1.000	-.086	
		Hostility	-.086	1.000	
	Covariances	Heterogeneity	.003	.000	-.002
		Dynamism	.000	.002	.000
		Hostility	-.002	.000	.003

a. Dependent Variable: EO

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Dynamism	Hostility	Heterogeneity
1	1	3.858	1.000	.00	.01	.00	.00
	2	.073	7.252	.00	.74	.12	.12
	3	.037	10.183	.64	.16	.04	.55
	4	.031	11.103	.35	.10	.84	.32

a. Dependent Variable: EO

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.05	3.77	3.09	.334	314
Residual	-2.206	1.712	.000	.803	314
Std. Predicted Value	-3.099	2.030	.000	1.000	314
Std. Residual	-2.734	2.121	.000	.995	314

a. Dependent Variable: EO

**Normal P-P Plot of Regression Standardized Residual**

