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Full Length Research Paper

Factors affecting women entrepreneurs in establishing their own business: The case of Afar Region, Ethiopia

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Women's productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium-scale production activities, or the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment. This study sought to assess the factors that affect women entrepreneurs in establishing their businesses. A sample of 325 women entrepreneurs in different sectors from five towns (Assayta, Logia, Mille, Awash and Chifra) were taken for the study using snowball and simple random sampling. In the process of answering the basic questions, a questionnaire that includes demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the women entrepreneurs in MSEs was designed in an open and closed-ended and Likert scales. Moreover, interviews were held with top officials of MSEs. The study also made use of simple statistical tools such as tables and percentages. Mean and standard deviation was also calculated for analyzing the collected data. The results of the study indicate inadequate access to training and low educational background and conflicting gender roles, social acceptability and, network with outsiders were the major social factors that affect women entrepreneurs.

Key words: Entrepreneurship, women entrepreneur, socio-cultural factors, education, training, business.

INTRODUCTION

Entrepreneurs are needed to transform the hidden resources of that nation into meaningful assets. A society without men and women who are creative and innovative may face the problem of unemployment, hardship and stagnation. Entrepreneurship is the bedrock of the world's economy in that jobs and wealth are discovered by individuals who are entrepreneurial minded and able to restructure the available scare resources into profitable ventures thereby creating jobs for themselves and others. Entrepreneurship is so vital that it is seen as the engine of economic growth and wheel that pedal the vehicle of economic development (Moses, 2014).

Women all over the world are also innovative and entrepreneurial in nature (Farah, 2014) and African women are not an exception. As Farah (2014) stated, women produce over 80 percent of the food consumed in Africa. This shows that things had changed unlike previously when men were the primary breadwinner while

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women provided for the family in the area of caring, feeding and household chores like fetching water, cooking and so on. Nowadays, women assume multiple roles by being a mother, wife, worker and an entrepreneur. Eli (2017) observes that presently, women have developed interest in entrepreneurial skills that have enabled them to take up leadership positions in their society by overcoming some physical and social barriers imposed against their success as entrepreneurs. According to Dharmaratne (2012), a large number of women today have started their own businesses and are competing favorably with their male counterparts.

Women entrepreneurs are those who play a fascinating role by consistently interacting and adjusting themselves with the financial, socio-economic and support avenues provided by the society (Iyiola and Azuh, 2014). Despite this, women entrepreneurs are underrepresented in entrepreneurship due to societal attitude that limits their ability to start certain types of business as well as barriers created by the system that keeps women entrepreneurs operating at lower levels (Farah, 2014). In Ijebu land in Ogun State for instance, one of such factors could be the óro festival which restricts the movement of women during that festival period. Farah (2014) went further to assert that cultures, where gender barriers exist, are likely to lose out a great deal in economic development.

Family responsibilities, marital status and religion constitute some of the factors limiting the success of women as business operators (Panda,2018).In a study carried out in Kenya, it was found that women who are from the Islamic faith were affected in business since they were forbidden to associate with men (Wambua, 2014). In Nigeria, the issue of purdah in the Islamic faith (Koko et al., 2017) may hinder their success; while in some Christian homes also, the sons are introduced to business early in life and the daughters are taught to submit to their husbands and be good homemakers (Haxhiu, 2015). This implies that marriage can also limit their success in business. At the same time, fear of sexual harassment may prevent some women from travelling widely to discover opportunities and make contacts that will boost their businesses (Wambua, 2014). The study conducted by Haxhiu (2015) indicated that conflicting gender roles, social acceptability and a situation prevalent in the society where women are seen as mere housewives affect the success of female entrepreneurs. This is more so in a community where entrepreneurship is seen as an area exclusively for men based on cultural, religious and societal attitudes

A study by Aramoon (2009) investigated factors that influence women's entrepreneurship. His findings showed that level of education, level of education of close members of families, the role patterns, and entrepreneur personality significantly affected women level of entrepreneurship engagement. Studies have also shown that women entrepreneurs face obstacles in access to training, networks and information (Koko et al., 2017). Many researchers have worked on the factors that affect women entrepreneurs like Admassie and Amha, (2008); Eshetu and Zeleke, (2008); Aramoon (2009); Awotide (2012), Niethammer (2013); Moses (2014), Iyiola and Azuh (2014); Haxhiu (2015); Balogun et al. (2016) and so many others but none of them have worked on specifically on socio-cultural and educational and training factors that affect women entrepreneurs in establishing and running their own business in Afar Region of Ethiopia. Since the social makeup and overall demographic characteristics of Afar region are different from other areas and the communities are dominantly pastoral and agro-pastoral, it is difficult to conclude based on other research works which have been conducted in other areas of the world.

The objective of the study

The general aim of the study is to assess the factors affecting women entrepreneurs in running their own business.

The following were the specific objectives of the study: 1) To examine the socio-cultural factors that affect women entrepreneurs' entry into the business and 2) to assess educational and training-related factors that influence women in their new business establishment.

MATERIALS AND METHODS

Research approach and design

A descriptive survey research design was employed in the study to assess the key factors that influence women entrepreneurs in establishing their own business in Assayta,Logia,Mille,Awash and Chifra towns of Afar Regional State in Ethiopia. Moreover, the study utilized cross-sectional in the sense that all relevant data were collected at a single point in time.

Data type and sources

In this study, both primary and secondary data were collected. To answer the basic questions raised a well-designed questionnaire was prepared. All questions were designed using a Likert scale, to address issues of crucial factors that influence women entrepreneurs in running their business. The Likert scale ranges from 'strongly agree' to 'strongly disagree' (5=strongly agree, 4=agree, 3=undecided, 2=disagree, and 1=strongly disagree) to not limit the response of respondents to some limited ranges.

Sampling technique

The non-probabilistic sampling (specifically snowball sampling technique) was used to select the sample for the study. Snowball sampling technique was used to find women who run their own business. The primary purpose of snowball sampling is to estimate characteristics that are rare in the total population. The sample size

was determined by using the formula of $n=Z^2pq/e^2$ which is developed by Cochran (1977) to determine the sample size for the unknown population, where n is the sample size, Z standardized normal variable and its value that corresponds to 95 % confidence interval equal 1.96 and e = allowable error (0.05). Therefore, n = 384 is the minimum sample size for the women survey for a reliable result. A total of 325 women entrepreneurs were willing to respond to the questionnaire and involved in the study.

Data analysis

Descriptive statistics were used to present and analyze the data. The Statistical Package for Social Science (SPSS) version 20 was used to analyze the data obtained from primary sources. Correctly, descriptive statistics (mean and standard deviation) were taken from this tool. The cut -off point for the mean score is 3. That means the mean scores above three (MS>3) were taken as an influential factor and considered (accepted) while those with a mean score of below 3 (MS<3) were taken as a week factor and was not be considered (rejected).

RESULTS AND DISCUSSION

Socio demographic characteristics of respondents

In this section the age distribution, educational and marital status of the respondents that participated in this research finding were analyzed and interpreted.

As can be seen in Table 1, the majority of the respondents are within the age category of 21-30 years (44.0%) followed by those under the category of 31-40 years (28.9%).The remaining 7.40 and 19.7% of the respondents are under the age category of above 40 years and below 20 years respectively. This indicates that a more significant percentage of women entrepreneurs sampled are in their working age and this may have a considerable contribution to their growth.

Concerning the educational level of the respondents, it is depicted from Table 2 that most are within the grade level of 5-9 (49.2%).This is followed by those who are within grade 1-4 (22.5%) and grade 10 completed (18.8%). The table also shows that 5.8,1.5 and 1.2% of the respondents are within 10+1 to10+2 levels, college diploma /10+3 , BSC/BA and above respectively. It is only 0.9% that cannot read and write. As the result indicates the majorities of women entrepreneurs have low educational achievement this will have a great effect in their business growth since business management requires a good educational level to assess the environments and to make an appropriate decision on the business issues. The study coincides with Vinogradov and Kolvereid (2007) study; they argue that entrepreneurs with good educational background obtain an optimum return from business activities. Evgueni and Lars added that entrepreneurs with high level of education make an effective decision and develop sustainable ventures. The marital status of the respondents shows that the majority of the respondents were married (47.4%) followed by singles (41.5%). The remaining 7.4 and 3.7% of the respondents were divorced and widowed, respectively. This show the majorities of entrepreneurs are married and this is good for business establishment. Besides, Solomon (2010) depicted that age and marital status make entrepreneurship necessity for women, because married women tend to involve in entrepreneurship for flexible work as well as for family, and financial need. Haxhiu, (2015) argue that social ties of married women allow them to use relations and their husband′s family in entrepreneurial activities (Table 3).

Analysis of factors affecting women entrepreneurs

In this section the data that were collected through a questionnaire in five -level Likert scales which assesses the educational and training and socio-cultural factors are analyzed by using descriptive statistics.

One of the factors that affect women entrepreneurs in the process of running their own business is educational background and training they got. Related to this Table 4 in item one shows women in the region have no frequent and required access to training. This has been supported by the mean value (3.51) and the standard deviation result (1.00). This implies that women entrepreneurs have a shortage of training. This study related with the survey made by UNECE (2004); it shows, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of essential primary and secondary education. Thus, limited access to training and development irritate women to begin and persist in entrepreneurship activities.

For entrepreneurs to perform their business activities, they need to have the necessary managerial skills. In this regard, the respondents replied that they did not get training and consultancy to improve their managerial know-how. The disagreement of women entrepreneurs respondents is shown by the mean (3.62) and standard deviation score (1.03) in the above table. The result indicates that women entrepreneurs have the problems of planning, organizing, leading and controlling their business. Therefore, lack of managerial skill will hinder their business startup and growth.

The other issue addressed in Table 4 is whether the women entrepreneurs get training and consultancy service to improve their technical know-how for their business process. For this matter as the calculated mean (3.72) and standard deviation (.94) reveals the respondents disagree with the availability of training and consultancy service to improve their technical know-how.

To establish and successfully run the business, entrepreneurs are required to have skill and knowledge of managing their business. As the table shows, the respondents respond that they have no necessary

Table 1. Age distribution of the respondents.

Age	Frequency	Percent
Below 20	64	19.7
21-30	143	44.0
31-40	94	28.9
above 40	24	7.4
Total	325	100.0

Source: Own survey (2015)

Table 2. Educational Backgrounds of the Respondents.

Levels of education	Frequency	Per cent
Cannot read and write	3	.9
Grade 1-4	73	22.5
Grade 5-9	160	49.2
Grade 10 completed	61	18.8
10+1 and 10+2	19	5.8
Diploma/10+3	5	1.5
BSC/BA and Above	4	1.2
Total	325	100.0

Source: Own survey (2015).

Table 3. Marital status of the respondents.

Marital status	Frequency	Valid Percent
Married	154	47.4
Single	135	41.5
Divorced	24	7.4
Windowed	12	3.7
Total	325	100.0

Source: Own survey (2015).

experience and expertise to manage their business activities. The result is supported by the mean (3.71) and the standard deviation (0.98) result.

The table also depicts the educational background of the women entrepreneur respondents. In this issue as the mean (3.68) and standard deviation (0.97) results show the respondents replied that they have no required level of educational background to run their business successfully. From this one can conclude that women entrepreneurs in this region have the problem of effectively leading and maintaining their business growth and development. The finding is strengthened by the idea of Vinogradov and Kolvereid (2007) as they state entrepreneurs with a high level of education, make an effective decision and develop a sustainable venture. Kottler (2010) states that the most critical aspects of business success rest on the marketing activities of the producers. However, as the results above show women entrepreneurs have no necessary marketing skills to run their business. The mean value (3.54) and the standard deviation (1.12) showed this.

Table 4, item 7 shows the entrepreneurs are not satisfied with the contents of the training they had received. As the result of the mean value (3.72) and standard deviation (0.91) shows they disagree with the concreteness of the content of the training they had received to equip them with required knowledge and skill to run their business effectively and efficiently.

This implies that females have limited knowledge and skill due to inappropriate content of the training they have received and these things will limit the capacity of recognizing, and taking advantage of new opportunities.

Table 4. Factors related to education and training.

S/N	Item	N	Mean	Std. Deviation
1	I have a frequent and the required access to training opportunities	325	3.51	1.00
2	I get training and consultancy to improve my managerial know-how	325	3.62	1.03
3	I get training and consultancy to improve my technical know-how throughout my business process	325	3.72	0.94
4	I have the required skill and knowledge to manage my business activities	325	3.71	0.98
5	I have the r educational background needed to run my business	325	3.68	0.97
6	I have the necessary marketing skills to run my business	325	3.54	1.12
7	The training I have received is concrete enough to run my business effectively and efficiently	325	3.72	0.91
8	Availability of developing programs to develop women's mastering and various experiences of entrepreneurship	325	3.64	0.96
9	Lack of training and low education level have a significant impact on running the business successfully	325	2.2	1.05

Source: Own survey (2015).

The study of Wube (2010) related with this result, the persons with access to social recognition and human capital are expected to be engaged in and taking advantage of new business opportunities

For promoting entrepreneurial activities and to ensure the development of entrepreneurs, there should be continuous developmental programs and support for them like business development service. However, the data in the above table concerning this issue show women entrepreneurs in the Afar region are yet to get developing programs to develop women's mastering and various experiences of entrepreneurship. The result is supported by the mean score (3.64) and standard deviation (0.96).

Women entrepreneur respondents were also asked to reply to their view whether lack of abandoned training and low educational level have an impact on establishing their business and being successfulness or not. As the mean value (2.2) and the standard deviation (1.05) indicates in item 9, the respondents respond that lack of training and low educational level have a significant impact on their business successfulness. As the above findings show limited access for training, lack of managerial know-how, low educational level, lack of marketing skill, absence of business development services and inappropriate and non-contentious training programs are the major problems of women entrepreneurs related to training and education. Therefore, these problems may limit women from initiating business ideas and successfully run their own business and such issues may create an obstacle to their growth.

Item 1 of Table 5 indicates that women entrepreneurs have a better contact with outsiders. This has been indicated by the mean value (2.53) and the standard deviation (1.32).

Similarly, the mean scores (3.56) and standard deviation (.93) of the respondents in Table 5 shows that women have no better social acceptability. These imply that women entrepreneurs have significant challenges to run their own business since better contact with outsiders and social acceptability have a substantial role in easing the chance of business startup and growth. In line with this, Admassie and Amha (2008) argued that the more social capital one has in the form of contacts with entrepreneurs among friends and family, the more he or she is motivated to start and perform well in business activities.

Concerning prejudices or class biases on women entrepreneurs the respondents replied that there is a class bias in the region to support the entrepreneurs. This result helped with a mean of (3.72) and standard deviation of (0.96).As some business operators explain this in the Afar region, there is class classification; it is called ′′gosa′′. Thus if someone is a member of the gasa which has power in the governmental structure or in the traditional way he/she gets extra support to involve in different business activities. This implies that such kind of class biases demotivate women entrepreneurs' initiation to establish their own business.

Similarly, about the attitude of the society towards their products/services, the respondent women entrepreneurs in MSEs do not like to decide on the idea that the opinion of the society is positive. Instead as the mean score (3.54) and standard deviation shows (1.10), they respond that the community has no positive attitude towards the product or service produced by women entrepreneurs. This indicates that there is no market or demand for the products of women entrepreneurs and this thing makes the business startup and growth very challenging.

On the other hand, concerning the attitude of other employees towards their business and the relationship that these women entrepreneurs have with their

Table 5. Socio-cultural factors.

S/N	Item	N	Mean	Std. Deviation
1	I have better contacts(networks) with outsiders	325	3.53	1.12
2	I have a better social acceptability	325	3.56	0.93
3	I have no prejudice or class biases	325	3.72	0.96
4	The societies attitude towards my products/services is positive	325	3.54	1.10
5	The reaction of other employees towards my business is positive	325	2.10	1.11
6	I have a positive relationship with the workforce	325	2.01	1.22
7	I have no conflicting gender roles	325	3.51	1.32
8	I am not affected by gender inequalities	325	3.59	1.48
9	I have no cultural influences	325	3.74	1.47
10	I never encounter harassments in registering and operating my business	325	1.88	1.17
11	Lack of childcare & higher burden of household responsibilities	325	1.89	1.08
12	Lower intra-household bargaining power and less control over earnings	325	1.80	1.03

Source: Own survey (2015).

employees, the table shows that the respondents have a positive relationship with their employees and the attitude of the employees towards the business is positive too. The mean scores 2.10 and 1.11 and standard deviations 2.01 and 1.22 for view of employees and relationships with employees respectively clearly strengthen this idea.

Table 5 also depicts those women entrepreneurs that are performing their activities in MSE in the Afar region face different conflicting gender role. The result of the mean score (3.51) and standard deviation (1.32) indicates this.

The issues of gender inequality and cultural influences are also serious problems for women entrepreneurs in MSEs as the table shows. The respondents disagree with a mean of 3.55 and a standard deviation of 1.43 that there are no gender inequalities. Similarly, they disagree on the issues that cultural influences problems are not available. It is justified by the mean scores of 3.74 and a deviation of 1.47 for cultural influences. This shows that gender inequality and cultural influences one of the significant problems that affect women′s business startup and growth. Therefore, such issues will affect women not to involve in different business activities, and this may also affect them not to establish their own business; and again this will influence the region′s entrepreneurial promotional activities.

On the other hand, for women entrepreneurs the issue of harassment is not as such a severe problem in the region. As a result, the table shows they agree with a mean of 1.88 and standard deviation of 1.17 that they never encounter harassments in registering and operating their business.

One of the socio cultural factors that affect women entrepreneurs to establish and successfully run their own business is lack of childcare and higher burden of household responsibilities on women. Concerning this, Table 5 shows that women entrepreneurs in the Afar region have the problem of lack of childcare services and higher burden household responsibilities on women. The mean value (1.89) and standard deviation (1.08) result strengthen this idea. This indicates that since women are busy in taking caring of the children and household responsibilities they may not deploy their time and knowledge in participating and generating entrepreneurial ideas and this will affect them to establish their own business.

Likewise, women entrepreneurs agreed that Lower intra-household bargaining power and less control over earnings are the major socio-cultural problems that affect the process of establishing and running their own business. The mean value (1.80) and the standard deviation (1.03) in Table 5 of item 12 depict this. Therefore, from this, one can assert that women frequently face gender bias in the socio-economic environment in which they operate, and they possess less bargaining power and less access to economic resources than men. These will limit them from establishing and developing their enterprises.

Conclusion

Human capital reduces the amount of time and transaction costs which arises, from the social and economic interaction. This leads to a successful business startup. This research reveals limited access to training and development and low educational background irritate women to begin and persist in entrepreneurship activities. The core problems related to training and education that affect women entrepreneurs in the selected towns are lack of frequent and continuous, uninterrupted and required access to training opportunities, lack of

managerial, marketing and technical skills to run their business, low educational background and unavailability of developing programs to develop women's mastering various experiences of entrepreneurship.

The study also showed that women entrepreneurs that are found in the selected towns are challenged by various socio-cultural problems to establish and run their own business. The study concludes that low network with outsiders and social acceptability, class biases; gender inequality and conflicting gender role, the presence negative attitude of the societies on their products, different types of cultural influences, lack of childcare service and high burden of household responsibilities and low intra-household bargaining power and less control over earnings are the major socio-cultural problems that affect women entrepreneurs' business startup and expansion.

As the findings of the research show women have limitations that constrain their entrepreneurial activities such as family work and responsibilities, gender equalities, managerial skill, education and bureaucracy that make business startup and progress challenging. These require the government programs to include business skill training, awareness creation on socio-cultural issues and managerial skill training to enhance women entrepreneurial activities. Moreover, since women entrepreneurial activities have a potential solution of an economic and social problem, the government and concerned bodies need to be committed to enhancing women entrepreneurship through improving legislation, creating conducive business environment and making resources available for women.

CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

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Full Length Research Paper

Technology and government regulation: A conceptual perspective of entrepreneurial orientation on creditworthiness of micro-enterprises

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Owing to globalization, enterprises continue to face increasing pressure from competition across the globe. When compounded with the changing needs of customers, complex business uncertainty and market instability, it becomes apparent that enterprises face increasing challenges in improving and maintaining business performance over time unless they actively manage these pressures. Entrepreneurs need to embrace an entrepreneurial mindset to recognize the threats and opportunities in their environs to ensure that their enterprises find a place in the financial sector and access to credit with ease. Entrepreneurial Orientation (EO) is often pointed out as an antecedent of competitive advantage, growth and superior performance. However, the question that remains unanswered is what effect EO has on firm creditworthiness in the face of government regulation and technological factors. This study aimed at establishing how EO impact on the creditworthiness of an enterprise. This is a conceptual study with a detailed literature review of the constructs. The review concludes that EO is a determinant of creditworthiness thus a driver of performance in microenterprises. Government regulations and technology are key in ensuring that EO has optimal effect on creditworthiness.

Key words: Entrepreneurial orientation, government, regulation, technology, credit, worthiness, enterprise.

INTRODUCTION

Small and Medium Enterprises are essential to all economies in the world, but especially to those in developing countries and, within that broad category, especially to those with significant employment and income distribution challenges (Kajalo and Lindblom, 2015). To build entrepreneurial orientation (EO) into small and medium enterprises is primarily a task of strategic decision-makers. If strategic managers and the culture of a given firm together generate a strong motion to innovate, to accept risks and aim for new entrepreneurial opportunities, one can speak of a firm that is characterized by EOs (Kosa et al., 2018).

Growth-oriented entrepreneurial ventures demonstrate unique financial needs not served by optimal capital structure rules (Long, 2013). Moreover, micro-enterprises face hurdles concerning with regard to funding their operations, which makes it difficult for these ventures to sustain their growth aspirations (Chimucheka and Mandipaka, 2015). Different capital structures become optimal at various stages during the life-cycle of the firm.

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For a venture embarking on a high growth trajectory, its capital structure must incorporate both equity-based (e.g. angel finance, venture capital and private and public equity) and debt-based (e.g. trade credit, short-term bank credit, and intermediate-term financial institution credit) financing, with debt financing forming a significant proportion of the venture's funds, especially in the early stages (Beltrame et al., 2019).

Despite the enormous contribution of micro-enterprises to the growth of the economy, they hardly access financial products from universal banks as a result of their inability to meet conditions associated with the administration of bank products (Kessey, 2014). Even though the entrepreneurial venture needs assured debt financing, banks face two problems in determining creditworthiness and making such funds available: asymmetric information and moral hazard, arising because of the principal-agent nature of the relationship (Kosa et al., 2018). Creditors face uncertainty about the creditworthiness and paying capacity of potential entrepreneurial ventures they could lend to, resulting in the problem of asymmetric information (Beltrame et al., 2019). On the other hand, the moral hazard problem arises if the entrepreneur behaves opportunistically after receiving credit and defaults on repayment.

Entrepreneurial and other micro-enterprises face a myriad of challenges in the market for the reason that they are disadvantaged in obtaining financial credit because banks and other financial organizations consider extending credit to significant, ongoing companies to be less risky and incur fewer transaction costs (Wong et al., 2016). Previous studies have linked EO to superior performance and subsequent improvement of credit worthiness of SMEs (Vaznyte and Andries, 2019). Financial institutions are faced with the herculean task of information asymmetry where less is known about the borrowers and project to be undertaken, including the likelihood of debtors paying back (Huang et al., 2014). Bank loan managers feel more informed and confident with large, established businesses, as they are apt to believe they already understand the abilities and intentions of business managers.

This study advances the argument that micro-enterprises can build upon EO and leverage technology within the prevailing government regulations to develop a foundation for acquiring credit from banks. To alleviate the concerns that creditors have in the determination of creditworthiness, microenterprises endeavor to raise their level of creditworthiness. In this regard, the paper examined the role of EO on the creditworthiness of microenterprises. The paper also includes technology and government regulations as intervening variables.

ENTREPRENEURIAL ORIENTATION

Frank et al. (2010) define EO as a firms' strategic orientation which captures the specific entrepreneurial aspect of decision-making styles, methods and practices with innovativeness, risk-taking and pro-activeness as the principal components. EO refers to the traditions that entrepreneurs make to identify and launch competitive ventures (Zehir et al., 2015). It represents a frame of mind and perspective about entrepreneurship that is reflected in a firm's ongoing processes and corporate culture (Eshima and Anderson, 2017). EO is a firm's ability to innovate, take risks, and proactively pursue market opportunities (Zehir et al., 2015).

EO refers to the mindset of organizations involved in pursuing new ventures and provides a viable framework for researching entrepreneurial activity (Covin and Wales, 2012). These activities include planning, analysis, decision making and various aspects of a firm's culture, value systems, and mission. EO is a firm-level strategy-making process that companies use to achieve their organizational purpose, attain their vision and obtain a competitive advantage. It entails to a sub-contract of market leadership, quality leadership, products specialization, cost leadership and manufacturing leadership. EO is a strategic orientation that an organization uses to adapt to changing business environment and have a sustainable competitive edge over rivals in the marketplace (Karacaoglu et al., 2012).

Lumpkin and Dess (2005) averred that the concept of EO consists of five dimensions: autonomy, innovativeness, risk-taking, pro-activeness, and competitive aggressiveness. Freedom is defined as an independent action by an individual or a team aimed at bringing forth a business concept or a vision and carrying it through to completion. Innovativeness refers to the willingness to support creativity and experimentation. Risk-taking means a tendency to take bold actions, such as venturing into unknown new markets. Pro-activeness is an opportunity-seeking and forward-looking perspective. The fifth dimension, competitive aggressiveness, reflects the intensity of a firm's efforts to outperform the industry rivals to generate revenue without considering the net effect to household incomes and employment (Lumpkin and Dess, 2005).

High performing, entrepreneurial-oriented firms are successful in recognizing and exploiting business opportunities (Hartsfield et al., 2017). Thus, EO is established by identifying five dimensions of the entrepreneurial process: autonomy, innovativeness, risk taking, pro-activeness, and competitive aggressiveness. Employing an entrepreneurial strategic direction is crucial in helping new ventures survive, compete, and succeed (Wong et al., 2016). Similarly, EO has been consistently regarded as a prerequisite for wealth creation of new ventures by facilitating the pursuit of entrepreneurial opportunities (Guo et al., 2014).

TECHNOLOGY ORIENTATION

Entrepreneurship and its relation to technology and

innovation are studied extensively within organizations (Werber et al., 2015). Studies have advocated integrating innovation and technology at organizations where links have been established with firm performance (Amin, 2015). Firms which have adopted a technology orientation (TO) pursue advances in technology and innovations and investments are made in continuous innovations and disruptive technologies with the assumption that entire new markets will emerge. In this case, technology and firm innovation cannot only create value but can aid in the international expansion process, which many firms in developing countries are now undertaking (Bharati and Chaudhury, 2006). Reliable technology and EO at the firm level can provide the necessary competitive advantage for companies in emerging countries to compete globally (Pratono and Mahmood, 2015).

Technology and innovation in entrepreneurial businesses are typically explained in a variety of ways. For instance, (1) by describing how early-stage entrepreneurs and established business owner-managers focus on the novelty (or unfamiliarity) of their products or services relative to customers' current experience (Martins, 2016), (2) by focusing on levels of innovativeness in entrepreneurial businesses as measured by the degree of competition faced by the business (Alford and Page, 2015), or (3) by whether the owner-manager perceives that many, few or no other businesses offer similar products or services (Urban, 2010). Several types of new venture technology and innovation strategies have been documented in literature, which includes, but are not limited to reactive imitation, proactive localization, import substitution, creative imitation, early-market entry, global niche and global innovation.

Adoption and usability of technology within a micro-enterprise has been embraced as a strategic means to attaining a competitive advantage in the market (Masa'deh et al., 2018). Implementation of technology is predominantly essential for small businesses unable to capitalize on economies of scale (Masa'deh et al., 2018) and conditioned in their response to increasing competition and uncertainties in the business environment. ICT creates tremendous opportunities for micro-enterprises specifically by making it possible for them to be part of a network (Martins, 2016), which ensures that there is more direct communication. In this regard, technology enhances the competitiveness (Linton and Solomon, 2017) of a small business, including its survival, profitability, and the future creditworthiness (Zuru et al., 2016).

GOVERNMENT REGULATIONS

Small and medium enterprises are supposed to follow government rules and regulations in their operations (Kitching et al., 2015). The level of regulatory laws or policies imposed by the government is directly proportional to the economic growth of the country. As the economic power of private sector business has grown, so too has the number of laws regulating business activity (Bouazza et al., 2015). In support of this assertion, Glaeser and Shleifer. (2003) argue that the amount of government regulation of private sector business directly reflects the level of economic power within the private sector. Common examples of management include controls on market entries, prices, wages, development approvals, pollution effects, employment for certain people in specific industries, standards of production for certain goods and services.

Policies and regulations are the cornerstone of government support to MSEs and entrepreneurs in general. Nteere (2012) defines government policy as the principle that underlines the actions that are bound to take place to solve public issues administered through state legislation, regulations and administrative practice. Government policy reflects theoretical or experiential assumptions about what is required to resolve a particular issue or problem. Governments make policies and regulations to tackle a wide range of issue encompassing taxes, import and export duties, investment incentives and subsidies, levies and borrowing rates for Micro and Small Enterprises, immigration and pensions regulations.

Ohphanhdala and Suruga (2010) aver that appropriate implementation of government regulations and specific support programs are a precondition to achieve the positive goals and targets of SME promotion. Government creates the rules and framework in which small and medium scale enterprises can compete each other. From time to time, the government changes the rules and framework forcing Small and Medium Enterprises to change the way they operate. The public sector support through appropriate government regulations facilitates entrepreneurs to establish and thereafter take investment risks for growth of their enterprises.

THEORETICAL FOUNDATION

The study is premised on the following theories.

Schumpeter's innovation theory

Schumpeter (1943) highlighted the innovational role in entrepreneurial process whereby wealth formation occurs through disturbance of present market structures when new products or services are introduced. Further, Schumpeter refers to technology advancement as the definite device of entrepreneurs, how entrepreneurs apply to exploit change as an opportunity for a diverse business or various services. Schumpeter argued that anyone seeking profits must innovate, suggesting that adoption and implementation of technology-based

innovations will lead to the much-needed level of performance of a business and therefore, make it possible for a micro-enterprise to meet its financial obligations. In this context, the extent and level of using technology within the internal processes and practices of a small business will ultimately translate into improved outcomes and subsequent creditworthiness contingent upon the history of performance.

Furthermore, Schumpeter designates a process of "creative destruction" where wealth creation takes place through interference of prevailing market configurations when new goods and services are introduced in a market. Wealth creation results to movement of resources away from existing organizations to new ones and as a result it allows emergence and growth of new businesses. Further, Schumpeter refers to technology advancement as the unique tool that entrepreneurs adopt to exploit change as a prospect for different companies, products or diverse services. The role of entrepreneurs is stressed as the entrepreneur's necessity to pursue purposefully for the sources of innovation, modifications, indicators of opportunities for successful growth as well as the quest to know and adopt innovation principles effectively. Successive scholars in support and advancement of Schumpeter innovation theory opined that entrepreneur continuously search for change, respond and exploit it as an opportunity through purposeful adoption of technology (Sharma and Dave, 2011). However, the theory considers innovation as the only cause of wealth and profit in a business and fails to take into perspective other social and economic factors.

Adoption of this theory in this study provides a more in-depth understanding of the relationship between EO and technology in shaping the growth and expansion of micro-enterprises. The method demonstrates that there is a clear interplay between technology and innovation, which creates opportunities for enterprises to flourish within a competitive market, and the decision to exploit this relationship, is essentially a component of EO of a given micro-enterprise. Accordingly, the theory combines EO and technology to advance an argument that the two elements are crucial for the survival of a business and ensuing wealth creation in the form of profits. It is through accrued benefits that a micro-enterprise creates a clear trajectory of better performance, which further implies that it can repay credit solicited from financial institutions.

Innovation theory

Innovation theory predicts that the diffusion of innovation is often dependent on individual-level adoption (Centola, 2010). Innovators and early adopters are talented in the distribution of the innovation process. Innovators and early adopters are characterized as risk-takers, opinion leaders and social leaders (Iyengar et al., 2011). Although technology adoption calls for an extra cost, investment in technology opens up new markets, helps on the improvement of existing products as well as on development of new products. Innovativeness, as a component of EO, is of particular interest in the case of academic researchers, since innovation is commonly considered a prerequisite in generating valuable knowledge outputs (Heinonen, 2015). Diffusion theory works better in explaining adoption of technology but fails to take into consideration the available resources, which guarantee implementation of a given technological innovation. Innovation theory provides valuable insights to this study as it links innovation to EO and further clarifies the role of technology in enhancing new product development, opening of markets, and improving the competitiveness of present products. The theory sheds light on how technology acts as an essential component within the EO of a given enterprise. In a context in which radically enhanced technological capabilities exist, this article explores the mediating effect of technology on the influence of EO on creditworthiness.

Market process theory

Market process theory has its origins in economic theories of entrepreneurship. Researchers view market orientation as an out-in perspective or a pull approach where the firm is assessed as deriving its innovative concepts and generates new ideas from interacting with the market (Blanks, 2013). The market process theory has its strength in its critique of the standard price theory, which is argued as failing to accommodate human interventions and thus, the role of the entrepreneur and entrepreneurial firms is not appreciated.

Kizner (2008) postulated that when markets become strictly self-equilibrating, then to account for economic progress becomes difficult or unfeasible. The theory puts forward that producing agents within an economy properly utilizes the information profitably, a role fulfilled by the entrepreneurs. Entrepreneurs use available information in the market information while striving to identify gaps that provide opportunities for exploitation, expansion and sustainable growth-acting on identified opportunities the entrepreneur continually makes economic rents in the process.

Shane and Venkataraman (2000) further support this argument by perceiving entrepreneurship as the process where opportunities are discovered, evaluated and resources mobilized for profitable gains. The process, therefore, entails environment scanning for opportunities, proactive in research to address changing consumer tastes and preferences, and close monitoring on changes in income levels and demographics of the consumers and potential consumers. Market process theory, therefore, entails an out-in perspective. This means that the entrepreneur or the entrepreneurial firm seeks opportunities that can be exploited which are outside of it.

This process of opportunity discovery and exploitation is thus the fundamental component of innovation (Shane and Venkataraman, 2000).

METHODOLOGY

The paper was designed as a meta-analysis that combined the findings from independent studies. Meta-analysis offers a rational and helpful way of dealing with several practical difficulties that beset anyone trying to make sense of effectiveness research. Systematic review methodology was at the heart of this paper. The paper reviewed the relevant studies on EO, technology and government regulation. The objective of systematic reviews was to present a balanced and impartial summary of the existing research. Meta-analysis was carried out through desktop research on the study variables. The variables of interest in this paper are integrated as shown in analytical framework shown in Figure 1.

RESULTS AND DISCUSSION

The results are presented in line with the study variables.

Entrepreneurial orientation

Asymmetric information remains unique challenge that lenders face in their quest to determine the creditworthiness of micro-enterprises and other small businesses. Credit scoring is one of the ways that lenders determine the creditworthiness of enterprises. In this strategy, the lending institutions assess the credit-worthiness of potential borrowers from their personal and business characteristics (Agier and Szafarz, 2013). The underlying business attributes are perfect to an enterprise and they are predominantly a product of EO of an enterprise. In this regard, a positive connection exists between EO and creditworthiness. EO enhances creditworthiness by improving overall performance of microenterprises (Frank et al., 2010). EO improves business performance only in cases in which a dynamic environment is combined with high access to financial capital and when a stable environment is combined with low access to financial capital.

EO allows a firm to develop ideas and realize them in the form of new products and services, participate in risky projects, predict future requirements, and find new market opportunities. EO positively influences ventures performance, and specifically, pro-activeness, risk-taking, and autonomous dimensions positively determine venture performance. Other studies have also highlighted the benefits of EO as enhancing performance (Engelen et al., 2015; Shan et al., 2016) despite stating that several contingencies affect the strength of this relationship.

The EO of a micro-enterprise differently affects the costs and benefits associated with external debt and equity financing, and thereby its use of the respective financing forms; with the strength of these relationships depending on industry-level risk and venture development stage (Vaznyte and Andries, 2019). EO facilitates firms to engage in risky activities such as high leveraging and substantial resource commitment with the desire of gaining high returns through pursuing opportunities in the market (Al-Mamun and Fazal, 2018). EO provides organizations with a basis for entrepreneurial decisions and actions. EO is demonstrated in firm-level risk-taking, innovative, and proactive behaviours, which ultimately contribute to the overall improved performance of a firm. Some studies have linked performance to credit-worthiness by positing that the former increases access to higher financial capital by small businesses (Wong et al., 2016).

Empirical evidence suggests that collateral does not necessarily signal any EO dimension, even when controlling for the strength of the lender-firm relationship (Beltrame et al., 2019). Furthermore, SMEs can mitigate their financial risk through collateral only in multiple bank-firm relationships. On the other hand, innovativeness, competitive energy and aggressiveness allow SMEs to obtain external guarantees (mutual guarantees, bank guarantees and public guarantees, respectively), helpful to promote credit access.

The degree of impact of EO on firms depends on several internal and external factors. Whereas internal factors include techniques, strategies and processes, external factors include state of the economy, growth and trends in the industry, government rules and regulations (Fayolle and Tederove, 2011). The effect of the dimensions of EO on MSE growth can be treated as a single construct comprising the dimensions of innovativeness, risk taking and pro activeness

Today's dynamic business environment requires a firm to regularly innovate, take risk into account, give room for autonomy, be proactive, and aggressively compete to maintain or find a new position in the market place. EO provides small businesses with the ability to discover new business opportunities and the discovery of new opportunities enhances their differentiation from other firms (Omisakin et al., 2016). High EO among small business owners enhances the formation and activation of personal strategies affecting business growth and performance.

Technology orientation

Entrepreneurship can provide direction to the company's entire operation, serves as an integral component of a firm's strategy and may function as the core component of corporate strategy (Urban, 2010). Each of the EO dimensions-innovativeness, pro-activeness and risk-taking is useful for predicting the success of the business, which may be contingent on the environment. Managers can establish the impact of environmental dynamism and hostility on EO and TO and explore the effect of these

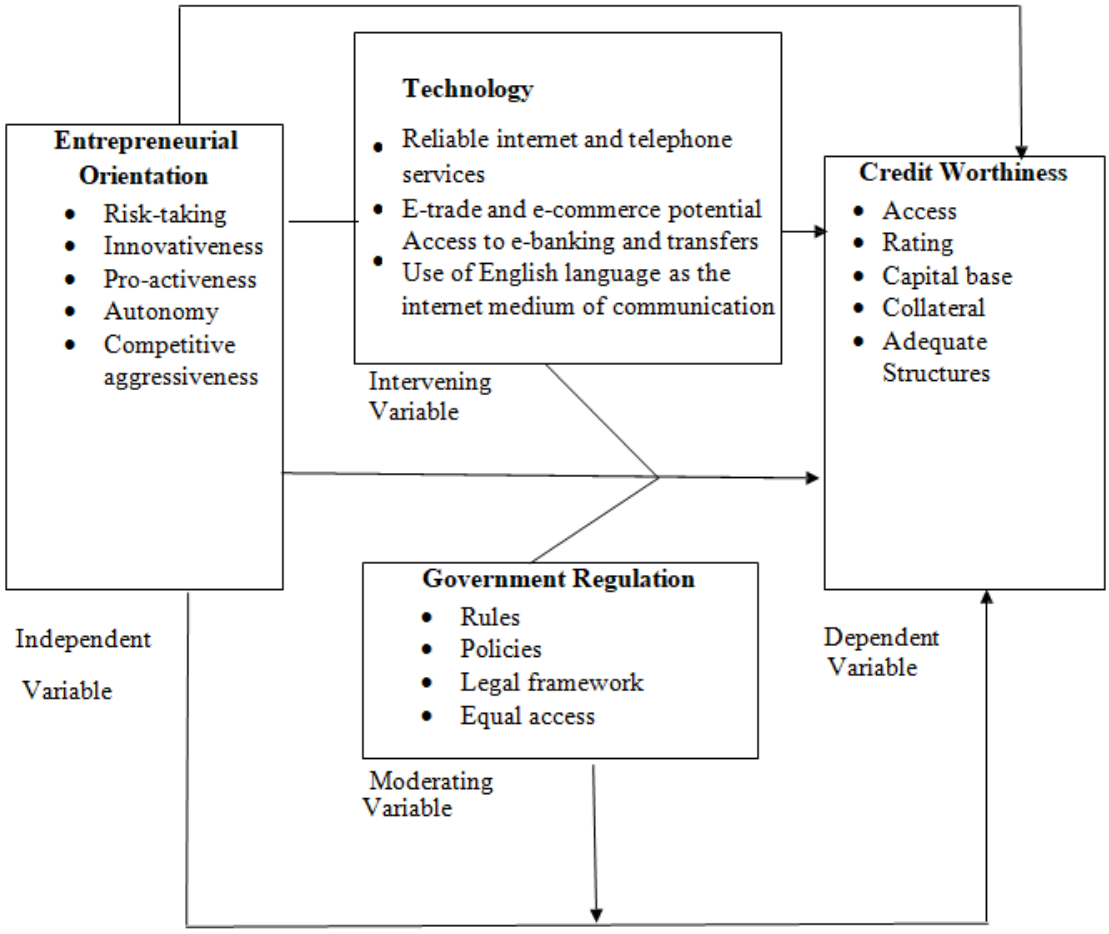

Figure 1. Analytical framework.

factors on various performance indicators. Indeed, managers need to adopt a contingency perspective on how environmental and organizational factors moderate, mediate or interact with TO and EO to enhance business performance. While EO is responsible for guiding the whole organization, technological capability is a critical element in the use of knowledge and technology as requirements to achieve innovations within the firm. Firms with a more developed capacity can ensure a better competitive advantage

EO is mediated by the firm's technology when EO is linked to performance or creditworthiness, and this mediating effect differs by industry (Choi and Williams, 2016). Technology has been used alongside marketing action to influence the relationship between EO and performance. Empirical evidence suggests that technology action has a stronger mediating effect than marketing action in manufacturing industries while marketing activity has a stronger mediating effect in service industries. Consistent with Garcés-Galdeano et al. (2016) belief that EO is mediated by technology in influencing creditworthiness through access to financial capital, many studies have created a single variable from all the dimensions of EO to show that it affects performance. However, some studies have failed to show the relationship between EO and creditworthiness (Vaznyte and Andries, 2019; Brouthers et al., 2015). There is grounded empirical evidence in some studies, which shows that EO dimensions, such as pro-activeness, risk-taking, and innovation, are important in explaining business performance (Engelen et al., 2015).

Government regulations

A common argument among economists and business executives is that regulations are detrimental to the competitiveness of business because of the cost involved in complying with them (Kitching et al., 2015). Though the business fraternity can cry foul of the regulations, business ethics is also important; hence, regulation is sometimes called for. However, in the preparation of the regulatory framework, it is imperative to critically analyze the costs of such rules to small business (Chan et al.,

2016). Policy-makers should also put special consideration on the impact such policies will have on SMEs.

Entrepreneurs posit that government regulations impede the growth of the private sector and SMEs. However, in broad terms, the government can be said to regulate private sector business for the good of society. The basic premise behind the regulation is to limit the ability of private sector businesses to harm other organizations, groups or individuals (whether intentionally or unintentionally) during conducting business (Keter, 2004). In general, government regulations of private industry tend to serve two overriding public objectives: (1) to promote market competition and control the market power of large firms over customers and smaller firms, and (2) to mitigate any adverse effects of business activity on individuals, other organizations and the environment (Cunningham and Rowley, 2008).

On the other hand, it is widely acknowledged that business regulations impose costs as well as benefits, and any regulatory prices typically fall most heavily on the businesses being regulated. The direct costs include capital costs associated with compliance, the costs associated with gathering information about what agreement entails, and the costs associated with reporting and record keeping. Many regulations expose businesses or their representatives to the risk of litigation and associated civil or criminal penalties. The direct costs incurred due to rules can negatively impact on businesses, especially SMEs and eventually lead to their closure. To caution the entrepreneurs from operating against these government regulations, be innovative, risk-takers and being proactive in their businesses, entrepreneurial training is hence considered necessary.

CONCLUSION

The study has contributed to Schumpeter's innovation theory, innovation theory, and market theory by affirming that technology influences the relationship between EO and creditworthiness. The study has revealed that technology raises the financial stake of a micro-enterprise and therefore, the ability to service a credit facility. Entrepreneurship orientation within organizations is a fundamental posture, instrumentally important to strategic innovation towards improved creditworthiness and better performance, particularly under shifting external environmental conditions. In developing countries, EO acts as the primary stimulant for capability development in microenterprises and improvement towards high credit rating. A company with the top on EO have more aptitude for risk-taking, innovativeness, and pro-activeness; as such they are oriented towards action, they pursue active implementation of new ideas, or processes not merely of their generation but also actively seek to anticipate opportunities to instigate changes to current strategies and tactics, and detect future trends in the market.

EO enables micro-enterprises to fulfill their growth aspirations, and this depends on short-term, liquid sources of debt financing such as bank loans. In this regard, the EO construct is salient not only for large organizations but also for small and medium-sized organizations in different stages of economic development and varied cultural contexts. At the level of the organization, therefore, the formulation of policies focusing on EO should be accompanied by investment in modern technology. At the government level, the regulations governing microenterprises should promote access to credit by integrating entrepreneurship orientation as a critical success factor in enhancing credit rating. Entrepreneurship orientation, appropriate technology and government regulations serve as the core components of corporate development and improved credit rating.

The study has confirmed the application of meta-analysis when undertaking a systematic review of relevant investigations related to a defined area of interest. The meta-analytical method is suitable in analyzing knowledge gaps related to the independent effect of EO on creditworthiness. However, multiple linear regression is more appropriate in analyses that involve joint and moderating variables within a given empirical inquiry where primary data is involved.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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