

INDIVIDUAL FACTORS AFFECTING THE BUSINESS PERFORMANCE OF WOMEN ENTREPRENEURS IN COLOMBO DISTRICT, SRI LANKA

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ABSTRACT

Women entrepreneurs are considered as a significant driving force in every economy since they provide a considerable contribution to the economic development of the country. The purpose of this empirical research is to find out the relationship between individual factors and business performance of women entrepreneurs in the Colombo District, Sri Lanka. It puts forward the suitable recommendations to enhance their business performance. A theoretical framework is proposed by the authors, which include three main independent variables affecting the business performance of women entrepreneurs. Those variables are human capital, social learning, and financial capability. Self-developed structured questionnaires were distributed among 164 women entrepreneurs in the Colombo district, and data were analyzed through Pearson correlation analysis and multiple linear regression analysis. Results indicate that there is a positive relationship between the independent variables (human capital, social learning, and financial capability) and the dependent variable (business performance). Social learning is the most influencing factor on the business performance of women entrepreneurs in the Colombo district, in Sri Lanka. The study was limited to several individual factors, and business performance is measured only in the financial perspective. The scope of the study is narrowed to women entrepreneurs of the Colombo district, selected through convenience sampling method. The findings suggest promoting entrepreneurial culture in Sri Lanka, improving the accessibility to finance, augmenting mentorship, advisory, and business support services to intensify the business performance. The study suggests that the successful theoretical model developed in western countries concerning women entrepreneurship. It was relevantly adopted after

conducting field trials and investigated for adaptability in developing Asian countries like Sri Lanka.

Keywords: *business performance, financial capability, human capital, social learning, and women entrepreneurship*

INTRODUCTION

Entrepreneurship is a critical factor for the economy of a country since it leads to generating income locally or internationally and ultimately facilitates economic progression. It emphasizes not only generating income but also increasing the living standards of the people and accelerating production, etc. Hence entrepreneurship can be considered as one of the primary drivers of economic growth, especially for a developing country like Sri Lanka. Women Entrepreneurship has also attracted the attention of scholars as being one of the crucial factors of economic growth of a country. Sri Lanka needs to pay high consideration on women entrepreneurship since more than half a portion of women population. Women entrepreneurship generates new job opportunities to the society. It influences to provide innovative management solutions to the business world.

Even though a variety of advantages can be identified, still there are several barriers associated with women entering the business world. They are gender discrimination, marital problems, cultural barriers, lack of finance, etc. (Hisrich, 1982). When focusing on the entrepreneur's role and the Sri Lankan economy, history shows that there is no considerable contribution of women entrepreneurship to the development of the economy of the country. However, in the recent past, the situation has changed. There is a significant contribution of women entrepreneurs to the Sri Lankan economy even though the numbers of female entrepreneurs are still relatively low (Hemalatha, 2005).

Research problem