



ISSN: 0975-833X

RESEARCH ARTICLE

FACTOR ANALYSIS OF ENTREPRENEURIAL MOTIVATION OF WOMEN IN MICRO AND SMALL ENTERPRISES IN AMBO TOWN, ETHIOPIA

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ARTICLE INFO

Article History:

Received 18<sup>th</sup> April, 2015  
Received in revised form  
02<sup>nd</sup> May, 2015  
Accepted 16<sup>th</sup> June, 2015  
Published online 28<sup>th</sup> July, 2015

Key words:

Entrepreneur, Factor Analysis, Micro and Small Enterprises, Motivation, Women Entrepreneur, Women Entrepreneurial Motivation.

ABSTRACT

An entrepreneur is a dynamic agent of change. Women entrepreneurs may be defined as a woman or group of women who initiate, organize and run a business enterprise. Women owned enterprises are steadily growing in Ethiopia, and they are contributing to household incomes and to the growth of national economies. In Ethiopia, support to Micro and Small Enterprises especially women owned enterprises has been considered as a tool to employment creation and foundation to long-term development objectives as well as empowering women. The purpose of this study is to identify the important women entrepreneurial motivation factors. The study was conducted in Ambo town which was purposively selected because the selected area in West Shoa Zone had more women entrepreneurs. A sample of 125 women entrepreneurs engaged in 5 sectors namely Urban Agriculture, Manufacturing, Construction, Service and Retail was taken for the study using stratified and random sampling techniques for taking representative sample from the population. The category of business was classified as micro and small enterprise level. Interview Schedule was used for collecting data from the women entrepreneurs. The scale contain 29 items to find out the factors that motivate women entrepreneurs in micro and small enterprises. Factor analysis was conducted on the above 29 items for data reduction which led to the identification of five factors, accounted for cumulative variance of 50.41 per cent. Principal component matrix was used for factor analysis and Varimax rotations with Kaiser Normalization was used for rotation. The five factors that emerged out of the analysis were: Entrepreneurial factor, Individual and Independent factor, Social and Professional factor, Satisfaction factor and the Economic factor.

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**Citation:** Misael Jaleta, Dr. Paul Mansingh, J. and Fikadu Abdise Erena, 2015. "Factor analysis of entrepreneurial motivation of women in micro and small enterprises in Ambo Town, Ethiopia", *International Journal of Current Research*, 7, (7), 18050-18056.

INTRODUCTION

An entrepreneur is a dynamic agent of change, who is instrumental in transforming physical; natural and human resources into value added products and services. For the entrepreneur to be successful the environment must be conducive and the individual must have an interesting initiative and drive in grasping the essential facts (Tadria, 2007). About 50 per cent of world total population constitutes women, but women workers constitute only 16 per cent in unorganized sectors. Entrepreneurship among women is a recent phenomenon. Entrepreneurship calls for all these personal abilities and characteristics which could be developed in women folk. Women entrepreneurs may be defined as a woman or group of women who initiate, organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a

business activity are called "women entrepreneurs" (Senthilkumar *et al.*, 2012). The women entrepreneurs when encouraged and motivated can successfully contribute to the value addition of the economy in a number of ways. Women have proved that they can be competitive in the formal economy as successful entrepreneurs. There is need, therefore, to accelerate mentorship for young women, with a view in particular to develop their entrepreneurship capabilities and skills; a positive policy environment aimed at enhancing women's entrepreneurship skills and opportunities has to be established. Women's entry into and success in entrepreneurship will be accelerated only through policy and programmed interventions that address gender-based discrimination that is widespread in formal public institutions and in society at large; and it is necessary and important to make gender-specific allocation of resources to women's entrepreneurship development, beyond micro-credit, in order to address the negative impacts of gender inequality on women's economic opportunities (Tadria, 2007). Motive drives behavior where the goal is to survive, to succeed and to avoid failure.

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Traditionally, motivation has been studied in order to answer three kinds of questions: what activates a person, what makes the individual choose one behavior over another, and why do different people respond differently to the same motivational stimuli. Existing motivational theories can be divided roughly into drive theories and incentive theories. Drive theories suggest that there is an internal stimulus, for example, hunger or fear, driving the person and that the individual seeks a way to reduce the resulting tension. The need for tension reduction thus represents the motivation. On the other hand, incentive theories emphasize the motivational pull. There is an end point in the form of some kind of goal that pulls the person toward it, such as achievement motivation in the entrepreneur toward performance. In other words, in drive theories, the push factors dominate, whereas in incentive theories, the pull factors dominate (Carsrud and Brännback, 2011).

Women owned enterprises are steadily growing in Ethiopia, and they are contributing to household incomes and to the growth of national economies. Despite the growing number of women entrepreneurs (WEs) in Ethiopia and their contribution to the economy and reduction of societal problems, they still own and manage fewer small businesses than men (Atsede and Kroon, 2014). There is a scarcity in academic literature that focuses on identifying this gap. The existing few studies focus on the position and profiles of women as micro and informal entrepreneurs due to the interest of donors in targeting at this group of women entrepreneurs. Moreover, in spite of the fact that there are non-financial as well as financial criteria used to measure the success of a small business, the studies focused on measuring success in terms of growth and profit (Atsede and Kroon, 2014).

Women account for the larger share of the informal economy operators, as well as those running micro and small enterprises in Ethiopia. MSEs make a significant contribution to the socio-economic life of the country by way of supporting people to earn money and make a contribution to family incomes, and by supplying basic goods and services for local consumption. However, this contribution is not fully recognized or understood, and there is little in the way of research or statistics to provide a broader understanding of women's experience as business owners, their contribution to economic development, or the challenges they face in setting up, managing and growing their enterprises (ILO, 2003). Numerous researchers have paid their attention on entrepreneurial motivation factors. The main motivating force behind starting a business is the fulfillment of needs in terms of self-esteem and the realization of one's own ideas. Also recent studies bear out the importance of independence, the single most important reason for entrepreneurship (Carsrud and Brännback, 2011). Benzing *et al.* (2005) found that income and job security needs were stronger motivators than self-satisfaction and personal needs. Based on different entrepreneurial motives, different entrepreneurial types do exist, displaying different degrees of intensity of the set of characteristics and attitudes which make nascent entrepreneurs. From an economics perspective, it is argued that an individual will choose to become self-employed if the expected life-time utility from self-employments are greater than the life-time utility from dependent employment.

A basic assumption is that entrepreneurs have the same motivations as anyone for fulfilling their needs and wants in the world. However, they use those motivations in a different manner—they create ventures rather than just work in them. Some become entrepreneurs even when other attractive options for employment exist (Carsrud and Brännback, 2011). According to Hakim (1989) and Schjoed and Shaver (2007), the primary theory of development around entrepreneurial starting business has to categorize motivations as pull and push strategies. Push factors are elements of necessity such as insufficient family income, dissatisfaction with a salaried job, difficulty in finding work and a need for a flexible work schedule because of family responsibilities. Pull factors relate to independence, self-fulfillment, entrepreneurial drive, desire for wealth and social status.

The women entrepreneurs started their business for varying reasons, including to generate income to support their family, to have something to do, to do the things they love, to launch a new product, to be independent, to take advantage of an opportunity that presented itself, to contribute to the society by doing things they learned abroad (Atsede and Kroon, 2014). Motivational variables and the challenges of the business as regards women entrepreneurs were obtained. These variables include; antecedent, triggering and supporting factors such as desire for independence, desire for extra income, drive for autonomy, job dissatisfaction, loss of paid job, divorce, education, desire of development of personal skills, quest for knowledge and so on (Shane *et al.* 2003). Women are entering business, driven by financial need due to family circumstances (Vargheese and Edwin, 2011).

Factors that could have a causal effect on the process and outcome of entrepreneurship need to be controlled. One category of control variables is the external environment. These would include such things as (1) political factors (e.g., legal restrictions, quality of law enforcement, political stability, and currency stability); (2) market forces (e.g., structure of the industry, technology regime, potential barriers to entry, market size, and population demographics); and (3) resources (e.g., availability of investment capital, labor market including skill availability, transportation infrastructure, and complementary technology (Shane *et al.* 2003). According to Gnanadhas and Jesurajan (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, too 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 equipment, society's value to the business and easy market opportunity. Some researchers have labeled women as having inappropriate attitudes towards business (OECD, 2002). However, the field research conducted in Ethiopia, Tanzania and Zambia revealed that most of the women are very committed to their businesses, and have clear plans for further developing their businesses

(Richardson *et al.*, 2004). In all three countries, the majority of the women entrepreneurs interviewed had been the sole or primary drivers for starting their businesses. In terms of motivation for start-up, the women entrepreneurs reported having a range of reasons for choosing to start their own businesses. The study revealed the desire to be self-employed and independent and the need for income as the main drivers for Ethiopian and Tanzanian women. In Zambia, there was greater emphasis on income generation. Another study by Jalbert (2000) revealed that women's motivations for starting businesses are related to their need to be independent, achieve job satisfaction, attain personal accomplishment and fulfillment, and be creative and economically self-sufficient. That women started their own businesses from a desire for self-determination and for career challenge, and that they expect the corresponding respect, recognition, and self-esteem that both self-determination and challenge provide. The preceding presentation confirms the need to construct a very comprehensive profile of women entrepreneurs by any agency interested in providing an environment in which women entrepreneurship is to flourish.

### Statement of the problem

The economy of Ethiopia has made some major pace forward over the recent past years; however, the development challenge facing Ethiopia is yet immense. One of the central elements of Ethiopia's developmental challenge is unemployment and the inefficient labor market of urban areas. Currently, the number of professional unemployment released from different public and private institution is increasing from time to time. Especially young people those complete their college and high school education are the largest number of unemployed professionals. Beside this, unemployed women are higher than that of unemployed men, because of gender based discrimination and socio-economic condition of the country. To solve this problem development of private investments can play a vital role. Especially private investment can reduce the unemployment among women and gender specified discrimination observed in job opportunity, however the private investment is not yet well developed in the country as the current job demand increase. Although the government formulates MSEs development policies that are addressing specially unemployed women, the practical realization seems problematic. The instrument to realize these policies is providing different services for unemployed people like financial service, facilitate production and marketing place in addition to training entrepreneurship for the aim of motivating unemployed to enter into entrepreneurship but the outcome is not much satisfactory.

The importance of MSEs as an instrument of poverty alleviation through employment creation and supply of affordable products has been implicitly and explicitly accepted by many countries and international development organizations. Firm growth is a central focus area in strategy of many owners/ entrepreneurs, government and organizations. Even though much research effort has been targeted particularly at investigating the motivation of entrepreneurs to start their own business, still much work is needed for developing comprehensive theory to explain the major

motivation of entrepreneurs to start their own business. Growth of MSEs has a special importance in the economy that it is responsible for the major contribution to new jobs. In fact, as researches reveal entrepreneurial motivation is a multidimensional phenomenon and there is substantial heterogeneity in a number of factors associated with motivation and related research.

One of the reasons for this might be problems of women entrepreneurs particularly women entrepreneurs in MSEs. This is supported by different empirical evidences. For example, Atsede and Kroon (2014) and Krishna (2013) stated that entrepreneurs are surrounded by a number of challenges. This forces entrepreneurs in MSEs not to contribute a lot to the development and poverty reduction of the town, region and the country as a whole. Although Government and other stakeholders are currently working on the development of women entrepreneurship for the most part of entrepreneurial motivation but the outcome is not as much as necessary.

In Ethiopia, support to MSEs especially women owned MSEs has been considered as a tool to employment creation and foundation to long-term development objectives as well as empowering women. Even if some countries believed to be successful in fully utilizing the potentials in MSEs to achieve better economic development, the voyage of MSEs in Ethiopia has not been an easy ride and still it is behind in exploiting these huge potentials to meet its development objectives. Even though women entrepreneurs in MSEs account the greatest proportion of total entrepreneurs in the country as a whole and in Ambo in particular, there is sensitive shortage of studies conducted with a specific objective of analyzing the factors of entrepreneurial motivation of women. This study is considered to fill the gaps by identifying factors that motivate women to become entrepreneur. Therefore, in this study it is proposed to assess the different factors of women entrepreneur's motivation in MSEs in Ambo town.

### Methodology

The study was conducted in Ambo town in West Shoa zone, Oromia regional state of Ethiopia. Selection of the study area for this research work was purposive, because the selected area in West Shoa Zone had more women entrepreneurs and were relatively performing well when compared with the other areas in the zone. In the study area there were a total of 1311 women entrepreneurs who work in 5 sectors of MSEs. All women entrepreneurs who are working in the 5 sectors of MSEs namely Urban Agriculture, Manufacturing, Construction, Service and Retail in Ambo Town was selected as sample frame of the study. Stratified sampling was used in which the 5 key sectors that woman entrepreneurs are engaged were taken as each stratum so as to give equal chance to each of the sector. From each sector, women entrepreneurs in MSEs were selected using random sampling technique. The selected sample consisted of 125 women entrepreneurs (61 from Micro and 64 from Small enterprises respectively). The category of business was classified as micro and small enterprise level according to the following criteria. In the industrial sector, a business enterprise which employs 6-30 labor force, including business owner and family labor, and/or the monetary value of the

enterprise's total asset ranging from Ethiopian Birr (ETB) 100,001-1500,000 is considered as small enterprise, and any enterprise with less than 6 employees and/or up to Birr 100,000 capital investment in total assets is considered as micro enterprise. In the service sector a business enterprise is considered as a small enterprise if it employs 6-30 five labor force, including business owner and family labor, and/or if the monetary value of the enterprise's total asset ranges Birr 50001-500000. A service enterprise below 6 labor force and/or capital up to Birr 50,000 is classified as a micro enterprise (FDRE, MoFED. 2010).

To identify the important factors of entrepreneurial motivation of women, the scale developed by Vijaya and Kamalanabhan (1998) was used with slight modification based on previous research studies in Ethiopia. The women entrepreneurs were asked to rate the importance of the factors that motivated them to choose entrepreneurship as a career on a five point continuum namely 'Not important', 'Slightly important', 'Important', 'Very important' and 'Extremely important'. The scores of 1,2,3,4 and 5 were assigned to the degree of importance; not important, slightly important, important, very important and extremely important respectively. Both qualitative and quantitative data were collected for this study. The data were collected from both primary and secondary sources. Interview schedule was used to collect primary data. Secondary data were collected from secondary resources like Central Statistical Authority (CSA), Annual reports of Zonal and Town Micro and Small Enterprise Development office of the study area, web sites and different related documents from different institutions. The interview schedule developed was pretested to identify and avoid vague and sensitive questions. The total number of focus group discussion was two groups and each group had five members. Five women respondents, one from each sector, were purposively selected based on their experience and active participation in the activities of the MSEs to collect the required data. Key informant interview was used as one source of information for primary data collection. The total sample size of the key informant interview was four in numbers who are Town MSEs Development Office staff, Women, Children and Youth Affair office staff, and Micro Finance Institution staff. They were selected based on their experience. Quantitative data were analyzed using the Statistical Package for Social Scientists (SPSS) software Version 20.

Factor analysis serves several related purposes. One of its primary functions, as just noted, was to help an investigator in determining how many latent variables underlie a set of items. Factor analysis was used mostly for data reduction purposes: To get a small set of variables from a large set of variables, to move from a large set of variables (the items) to a smaller set (the factors). Factor analysis identified categories of similar statements, did not identify the high score in each items and factor. Therefore, Factor analysis was used to determine whether the determinants group together on significant factors (Field, 2005). Factor analysis is a method for investigating whether a number of variables of interest  $Y_1, Y_2, \dots, Y_k$ , are linearly related to a smaller number of unobservable factors  $F_1, F_2, \dots, F_k$ . Factor analysis is a statistical method used to study the dimensionality of a set of variables. In factor analysis,

latent variables represent unobserved constructs and are referred to as factors or dimensions. Used to explore the dimensionality of a measurement instrument by finding the smallest number of interpretable factors needed to explain the correlations among a set of variables – exploratory in the sense that it places no structure on the linear relationships between the observed variables and the factors but only specifies the number of latent variables.

$$y_{ij} = v_j + \lambda_{j1}\eta_{i1} + \lambda_{j2}\eta_{i2} + \dots + \lambda_{jk}\eta_{ik} + \dots + \lambda_{jm}\eta_{im} + \varepsilon_{ij}$$

Where

$v_j$  are intercepts

$\lambda_{jk}$  are factor loadings

$\eta_{ik}$  are factor values

$\varepsilon_{ij}$  are residuals with zero means and correlations of zero with the factors

## RESULTS

### Factor Analysis of Entrepreneurial Motivation of Women in MSE's

Factor analysis is used mostly for data reduction purposes: To get a small set of variables from a large set of variables, is to move from a large set of variables (the items) to a smaller set (the factors). Factor analysis identifies categories of similar statements, not identifies the high score in each items and factor. In order to find out the factors that motivate women to become entrepreneurs, 29 factors were identified such as Be independent, Using risk taking ability, Provide good service, Providing employment, Utilize the concessions or loans, Compete with others, Get complete satisfaction, Utilize my keen business sense, Exploit my talent and potential, Do creative /innovative, Achieve something, Use my decision-making/ problem solving skill, Be a leader, Be an employer, Attain high social status, Show that I am inferior to none, Earn the respect of people, Encouragement from big business, Acquire lots of wealth for self, Have own preferred work style and lifestyle, Enjoy the best luxuries of life, Get over monotony, experience, Get over shortage of money, Make my family rich, Get monetary returns for my talent, Supplement the family income, Ensure financial stability of children, Make money to clear debts, Lack of Employment Opportunity, and the respondents were asked to rate on a five-point Likert scale to give their opinion on importance of each factors motivating them to become an entrepreneur.

Factor analysis was conducted on the above 29 items for data reduction which led to the identification of five factors, accounted for cumulative variance of 50.41 per cent (Table 1). Principal component matrix was used for factor analysis and Varimax rotations with Kaiser Normalization was used for rotation (Table 1). The alpha coefficient was calculated to find out the internal consistency of the items on the scale. It was found to be 0.84 which indicated that the internal consistency of 29 items was quite high. High value of Kaiser-Mayer-Olkin (KMO) test of sampling adequacy indicates that the correlation between the pairs of variables explained by other variables and the appropriateness of factor analysis in the model (Gnanadhas and Jesurajan, 2011). The value of Kaiser-Mayer-Olkin

**Table 1. The rotated factor matrix for the variables relating to motivational factors to start the business by the women entrepreneurs in MSE's**

| Variable  | Component |       |       |       |       |
|---|-----------|-------|-------|-------|-------|
|   | 1         | 2     | 3     | 4     | 5     |
| Do something Achieve /something that others usually do not          | .735      | .059  | .178  | .111  | -.051 |
| Do something creative /innovative                                   | .688      | .106  | .304  | -.127 | .037  |
| Compete with others and prove to be the best                        | .650      | .209  | .234  | .085  | -.036 |
| Make effective use of my risk taking ability and succeed            | .633      | .080  | -.012 | -.015 | -.109 |
| Help people by providing them employment                            | .559      | .362  | .374  | .153  | .020  |
| Have own preferred work style and lifestyle                         | .514      | .080  | .435  | .232  | -.024 |
| Earn the respect of people  | .470      | .430  | .120  | .266  | .222  |
| Use my decision-making/ problem solving skill to profit in a career | .432      | .402  | .221  | .138  | -.266 |
| Be a leader   | .018      | .704  | .100  | .009  | -.347 |
| Make money to clear debts   | .385      | .685  | .052  | .170  | .034  |
| Be an employer  | .181      | .662  | .171  | -.040 | .021  |
| Be independent  | .103      | -.589 | -.001 | .348  | .300  |
| Encouragement from big business                                     | .362      | .587  | -.045 | .125  | .064  |
| Make my family rich   | .088      | .570  | -.016 | .248  | .331  |
| Get monetary returns for my talent                                  | .008      | .140  | .751  | -.020 | -.005 |
| Exploit my innate talent and potential in a profession              | .307      | .118  | .585  | .074  | .052  |
| Provide good service or products to the community                   | .412      | .143  | .583  | .031  | .063  |
| Show that I am inferior to none                                     | .031      | .098  | .559  | .413  | .093  |
| Utilize my keen business sense                                      | .162      | -.111 | .476  | .000  | -.073 |
| Attain high social status   | .396      | .397  | .416  | .195  | -.002 |
| Enjoy the best luxuries of life                                     | .096      | .079  | .134  | .661  | .184  |
| Get complete satisfaction   | -.012     | .087  | .068  | .622  | -.442 |
| Get over monotony, experience change                                | .112      | -.096 | .268  | .523  | .268  |
| Ensure financial stability of children                              | .296      | -.186 | -.160 | .495  | .168  |
| Get over shortage of money  | -.118     | .260  | -.026 | .424  | -.160 |
| Utilize the concessions or loans from Government, banks, etc.       | .049      | .269  | .160  | .338  | .048  |
| Lack of Employment Opportunity                                      | -.085     | .080  | .112  | .053  | .733  |
| Supplement the family income  | -.127     | -.143 | -.023 | .090  | .733  |
| Acquire lots of wealth for self                                     | .362      | .086  | -.196 | .395  | .409  |

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 13 iterations.

Source: Own Survey (2015)

**Table 2. Factors, Eigen values, Percentage of Variance and Cumulative Percentage of Variance**

| S.No | Factor                            | Eigen Value | Percentage of variance | Cumulative percentage of variance |
|------|-----------------------------------|-------------|------------------------|-----------------------------------|
| 1    | Entrepreneurial Factor            | 6.951       | 23.968                 | 23.968                            |
| 2    | Individual and Independent Factor | 2.714       | 9.357                  | 33.325                            |
| 3    | Social and Professional Factor    | 1.981       | 6.831                  | 40.156                            |
| 4    | Satisfaction Factor               | 1.531       | 5.280                  | 45.436                            |
| 5    | Economic Factor                   | 1.444       | 4.978                  | 50.414                            |

Source: Own Survey (2015)

(KMO) ranges between 0 and 1. A value of 0 indicates that the sum of partial correlation is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence, factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Values greater than 0.5 KMO can be accepted (Field, 2005). For these data the value was 0.767 which fell in to the range of good, so that factor analysis is appropriate for these data. Bartlett's measure tests are a significant test. For these data the significance value is 0.000. Since the significance value is less than 0.05, the data were highly significant. Bartlett's test is highly significant, for that reason factor analysis was appropriate.

The five factors that emerged out of the analysis were: Entrepreneurial factor, Individual and Independent factor, Social and Professional factor, Satisfaction factor and the Economic factor.

| KMO and Bartlett's Test                          |          |
|--|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .767     |
| Bartlett's Test of Sphericity                    | 1343.179 |
| Approx. Chi-Square                               |          |
| Degree of freedom                                | 406      |
| Significance                                     | .000     |

## DISCUSSION

The first factor was named as "Entrepreneurial factor". The items classified under this factor are the need to take calculated risk and the confidence to deal with it effectively; Do something creative /innovative, Compete with others and prove to be the best, Help people by providing them employment, Have own preferred work style and lifestyle, Use my decision-making/ problem solving skill to profit in a career and Earn the respect of people. All the items categorized under these reflect the entrepreneurial qualities and therefore, this group was named as "Entrepreneurial factor". They imply that entrepreneurs believe that they can achieve more by doing for themselves then doing for someone else and they are motivated

to be creative / innovative on their own. This factor explains 23.97 percent of variance and the Eigen value was 6.95. The second factor was referred as "Individual and Independence factor". It contains the following determinants: Be a leader, Be an employer, Be independent, Make money to clear debts, Encouragement from big business and Make my family rich. This factor accounts for 9.36 percent of variance. Contemporary entrepreneurs want to be masters of their time and they need to be able to organize their time in the way that suits them. The need to assume a leadership role where one has access to power and influence over others and the motivation to be able to employ and not be employed, from which one infers an individual's refusal to work under an authority figure.

They need to be independent and they enjoy taking the responsibility to use one's own judgment as opposed to blindly following the assertions of others. Also these factors express the desire to accomplish something independently, the need to master, manipulate or organize physical objects, people or ideas as independently as possible, the urge to overcome obstacles and attain a high standard of excellence and the drive to rival and exceed others. The entrepreneur being a confident, self-assured and assertive individual can be assumed to have a high level of individuality (Vijaya and Kamalanabhan, 1998). So this group was named as "Individual and Independence factor". Stefanovic *et al.* (2011) identified four factors. These factors are: greater business achievement factor, independence factor, intrinsic factor and job security factor from 11 reasons for deciding to own a business, with the cumulative variance of 67.115.

This finding was in confirmation with the findings of Sloka *et al.* (2014) identified six complex factors: those are "Independence" the factor has relatively high burdens on the following motivation variables: be my own boss; create my own job; make my own decisions; maintain my personal freedom; "Family support" the factor has relatively high burdens on the following motivation variables: build a business to pass on; provide jobs for family; be closer to my family; always have job security. "Business development" factor has relatively high burdens on the following motivation variables: maximize business growth; increase sales and profits; meet the challenge. "Prove that I achieve success" factor has relatively high burdens on the following motivation variables: gain public recognition; prove I can succeed. "Income" the factor has relatively high burdens on the following motivation variables: acquire a comfortable living; increase my income; build up equity for retirement. "Personal satisfaction" the factor has relatively high burdens on the following motivation variables: have fun; for my own satisfaction.

The third factor was named as "Social and Professional Factor". This factor has relatively high load on the following determinants: Attain high social status, Show that I am inferior to none, Get monetary returns for my talent, Exploit my innate talent and potential in a profession, Provide good service or products to the community and Utilize my keen business sense. It accounted for 6.831 percent of cumulative variance. The above social and professional factors influenced many individuals to climb up the social ladder. This factor

explained the social and professional dimension of motivation. These prominent social motivations of many individuals can be explained in terms of the psychogenic needs of dominance and exhibition. Business sense has been perceived as a sharp and effective way of dealing with money and material resources, which may be seen as a cognitive quality just like creativity and problem-solving skills. Also, people who have the business sense as it is understood in the day-to-day life, do not always start a business venture, but are known to be very careful in financial dealings (Vijaya and Kamalanabhan, 1998). The fourth factor which was labeled as "Satisfaction factor". This factor has relatively high load on the following determinants: Get complete satisfaction, Enjoy the best luxuries of life, Get over monotony, experience change, Ensure financial stability of children, Get over shortage of money and Utilize the concessions or loans from Government, banks, etc. Judge and Watanabe (1993) reinforced Satisfaction by stating that there exists a positive and reciprocal relationship between job and life satisfaction in the short term, and that over time general life satisfaction becomes more influential in person's life. Entrepreneurs need to prove themselves to their environment and to achieve a significant level of personal satisfaction. Women became entrepreneur for happy and satisfied life with the flexibility in spending time with children and spouses. Enjoying the best luxuries of the world is also an important motive that indicates the extent of importance the person attaches to expressing his refined tastes and high standards of material preferences.

Finally, "Economic Factor" was the fifth factor, which includes the following determinants; Lack of Employment Opportunity, Supplement the family income and Acquire lots of wealth for self. Economic instability forces entrepreneurs to take care of themselves and support their families. Desta (2010), summarized the motivations for women to set up their own businesses, ranged from the need to support their families to generating their own income and being self-employed. Studies on successful women entrepreneurs in Africa (including Ethiopia) have shown that women make a choice to join the MSE sector because of the flexibility that allows the min balancing household responsibilities and livelihood compared to being informal employment. Also this finding confirms the findings of Gnanadhas and Jesurajaan (2011) which identified seven factors such as, Economic Independence and Challenge, Economic Status and Interest, Opportunities and Necessities, Usage of funds, Experience, Market potential and Family background out of the eighteen variables that influenced the women to become entrepreneurs with 63.38 per cent of cumulative variance.

## Conclusion

Factor analysis was conducted on 29 items for data reduction. This led to the identification of five factors, which accounted for cumulative variance of 50.41 per cent. Principal component matrix was used for factor analysis and Varimax rotations with Kaiser Normalisation was used for rotation. The alpha coefficient was calculated to find out the internal consistency of the items on the scale. It was found to be 0.84 which indicated that the internal consistency which was quite high. The value of Kaiser-Meyer-Olkin (KMO) result was

0.767 KMO and the significance value of Bartlett's measure tests is 0.000 which indicated that the factor analysis was appropriate for these data.

The five factors that emerged out of the analysis were "Entrepreneurial factor", "Individual and Independent factor", "Social and Professional factor", "Satisfaction factor" and "the Economic factor". The first factor was referred as "Entrepreneurial factor" with 23.97 percent of variance and Eigen value 6.95. The second factor was named as "Individual and Independence factor" with 9.36 per cent of variance. The third, fourth and fifth factors were named as, "Social and Professional Factor", "Satisfaction factor" and "Economic Factor" respectively with 6.831, 5.280 and 4.978 percent of variance in order. The items classified under the first factor were named as "Entrepreneurial Factor" are the need to take calculated risk and the confidence to deal with it effectively. All the items categorized under these reflect the entrepreneurial qualities and therefore, this group was named as "Entrepreneurial factor".

They imply that entrepreneurs believe that they can achieve more by doing for themselves than doing for someone else and they are motivated to be creative / innovative on their own. The second factor was referred as "Individual and Independence factor". Also these factors express the desire to accomplish something independently, the need to master, manipulate or organize physical objects, people or ideas as independently as possible, the urge to overcome obstacles and attain a high standard of excellence and the drive to rival and exceed others. The entrepreneur being a confident, self-assured and assertive individual can be assumed to have a high level of individuality. Therefore, MSE's development office should provide training on specific subjects like entrepreneurial qualities which are very important for starting business for women to be economically independent.

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