

Review of: "Determinants of Women Entrepreneurs' Business Performance: Evidence from Micro and Small-Scale Enterprises in Arba Minch Town, Southern Ethiopia"

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Potential competing interests: No potential competing interests to declare.

- 1. Please reconsider the definition of performance provided in the second sentence of the Introduction. Performance is not '...the overall activities and operations performed by women entrepreneurs...'. This definition is not appropriate because it is presented as a phenomenon that is women-specific. A more appropriate definition that is provided by Woo and Cooper (1994) is cited in section 2 of this paper.
- 2. In the Introduction, some early studies on the performance of women's MSEs have been criticized because a logit model was employed. The logit model is considered inappropriate because performance is a continuous variable. It is recommended that business performance should be measured using a Likert scale. Unfortunately, the Likert scale suffers from shortcomings; it is a scale based on the perceptions of the respondents. Whether or not a logit regression model is appropriate depends on how business performance is measured and what the research question is.
- 3. It is not clear what is meant by 'an increase in tax amount...'. It is preferable to refer to tax rates since this will determine the amount of taxes that is paid.
- 4. One contribution of this paper to the literature mentioned in the text is that it investigates '...the factors affecting women micro and small-scale enterprise performance in Arba Minch town'. You must explain what is important or unique about Arba Minch town to justify why the study is being conducted in this town.
- 5. Another motivation provided for this study is that there are no recent studies. I estimate 6 years between the publication of the most recent study cited in your paper and this study. The time lapse will be relevant to explain why your study is necessary, if profound changes in the area of policy, for example, have occurred in the intervening years. I suggest that a stronger motivation must be provided for the current study.
- 6. The fourth objective is to 'identify the effect of legal and administrative related factors (increase in tax amount) on the business performance...'. I suggest that if the focus is on the impact of taxation on the performance of female-owned businesses, then you should rephrase the objective to read: 'to identify the effect of fiscal measures, i.e., taxation policy, on the business performance...'.
- 7. The statement that comparatively little rigorous and in-depth research has been undertaken on the issues of gender and business performance is not entirely accurate. Find below examples of some studies, some of which are more than 20 years old. If the comment is with respect to studies on developing countries or Africa, please state so.
 - a. Rosa et al. 1996. Gender as a determinant of small business performance: Insights from a British study Small



- Business Economics, 8 (6):463-478.
- Fairlie & Robb, 2009. Gender differences in business performance: Evidence from the Characteristics of Business Owners survey. Small Business Economics, 33: 375-395.
- c. Tundui & Tundui. 2012. Survival, growth strategies, and performance of women-owned micro and small businesses in Tanzania. *International Journal of Business and Management*, 7 (8): 143-155.
- d. Owoo et al. 2019. Exploring firm performance and growth among own-account and microenterprises in Ghana. *International Journal of Entrepreneurship and Small Business*, 38 (3): 294-311.
- 8. A review of the literature on previous studies is presented in section 2. It is important that you indicate the country or countries that the studies cover. For example, you must state which country or countries are the focus of the Getu (2015) and Tadesse (2016) studies.
- 9. I suggest that you make the first hypothesis more specific. The evidence you present in the section headed 'Economic Factors. Access to Finance' seems to suggest that there is a positive relationship between access to finance and the performance of firms owned by women. If indeed this is the finding of these studies, then it must reflect in the hypothesis. Again, it is important that information is provided on the country context of these findings.
- 10. The second hypothesis must be rewritten. The discussion in the sub-section titled 'Land premises facility' suggests that the problem is that the women entrepreneurs do not own the business premises; hence, they have to incur rental costs. 'H2: Access to land premises has a positive influence on women's business performance' is not the hypothesis that is being tested. The women do have access to premises; it is just not owned by them.
- 11. The fourth hypothesis must be rewritten. I suggest you exclude 'Therefore, depending on the information or literature review, it can be tentatively'.
- 12. You provide mixed findings from the literature on the relationship between training and entrepreneurial performance. Your hypothesis suggests that the relationship is expected to be negative. It is not clear, based on the literature reviewed, why this position is adopted.
- 13. You must rewrite the sixth hypothesis. It is not clear to the reader what is meant by 'tax amount'. Do governments impose specific taxes on micro and small-scale enterprises? If yes, this must be discussed, and the hypothesis must be rewritten to reflect this.
- 14. Section 2 contains a sub-section with the heading 'Economic Factors'. This suggests that there is another set of factors that will affect the performance of firms owned or managed by women. However, the only set of factors that has been discussed is under the heading 'Economic Factors'. The conceptual framework suggests that there are different clusters of factors. I suggest that you reorganize section 2 to reflect the conceptual framework.
- 15. Since your hypotheses are informed by a review of the literature, I suggest that you delete section 1.2 Research Hypothesis. This is because it precedes the review of the literature and the discussion on the justification of the set of hypotheses that will be tested.
- 16. I would also like to suggest that you merge Section 2 into the introduction. The research objectives should be changed. You can have one research objective and several hypotheses.
- 17. I suggest you re-write Section 3.1 on research design & approach. Focus on explaining the choice of the quantitative method. You do not have to provide definitions of qualitative and mixed methods approaches.



- 18. The first sentence of Section 3.3 is confusing. Please rewrite it. You must state explicitly whether the number of enterprises you report is for the study area.
- 19. An equation the population regression function is missing on page 16 of 31.
- 20. Since most readers are familiar with Ordinary Least Squares Regression, I suggest you do not go into the details of the regression model but refer the reader to an appropriate text.
- 21. You must let the reader know the questions to which the respondents were providing answers. It is not enough to provide information on the range of the Likert Scale. What question was asked about business performance? What question was asked about access to finance?
- 22. On page 21 of 31, you refer to the variables not included in the model as 'the so-called exogenous variables to the model'. This is not correct. The variables not included in the model are omitted variables. Some important variables have been omitted these are the women's characteristics such as age, educational attainment, marital status, and firm characteristics such as firm size and sector. You must explain why these variables are not included in the model. The words 'endogenous' and 'exogenous' are not being used correctly. Endogenous variables are variables that are correlated with the error term (See Woolridge, J. M. Introductory Econometrics).
- 23. On page 22 of 31, it is stated that '... a one percent increase in variables like ATF... leads to an increase in women's business performance by 32.5%...'. This is not a correct interpretation of the results. The dependent variable is a Likert Scale of respondents' extent of agreement with a statement (which unfortunately is not known to the reader). What is being captured on the left-hand side of the regression is not a change in business performance.

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