

Determinants that Influence on the Performance of Microenterprises: Special Reference to Micro Entrepreneurs in Kandy District

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Abstract

Micro-business development is seen as one instrument in addressing unemployment, poverty problems, and economic development in developing countries. Recently women are increasingly engaging in ownership of micro and small enterprises, either on their own or in partnership with male entrepreneurs. The association between gender and the performance of a small business is diverse. Although both kinds of female-owned and male-owned enterprises used common factors, there was a difference in performance. Gender is an important demographic characteristic that has an impact on business performance. This study is based on primary data gathered from micro-entrepreneurs in the Gangawatakorale and Pathahewahata divisional secretariat division in Kandy district, Sri Lanka. One hundred micro-entrepreneurs were randomly selected and a questionnaire was used to collect primary data. The binary logistic model was used to analyse the effect of gender on the performance of microenterprises. The model consists of a dichotomous outcome variable and seven independent variables. They were gender, age of entrepreneur, education level, previous experience, location of the business, government support, and access to the market. The results showed that market accessibility, business location, and gender significantly impact business performance. In contrast, education level, age and business experience, and government support do not impact micro-entrepreneurs' performance.

Keywords: Gender, Logistic model, Micro-enterprises

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