

**Multidimensional Factors Associated with the Performance of Women-Owned
Entrepreneurial Businesses in Oyo State, Nigeria**

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ABSTRACT

Women-owned enterprises contribute to household livelihoods, employment creation and local economic development, but their performance is shaped by interacting entrepreneurial and environmental conditions. Objective: This study assessed the performance of women-owned entrepreneurial businesses in Oyo State, Nigeria, and examined the combined and separate influence of internal and external multidimensional factors. A cross-sectional survey was conducted among 381 women entrepreneurs. Data were collected with a structured questionnaire and analysed using frequencies, percentages, means, weighted mean scores (WMS) and multiple regression. Entrepreneurial performance was assessed through profitability, sales growth, customer-base expansion, business expansion and business sustainability. Result indicate that Profitability had the highest performance rating (WMS=4.46), followed by customer-base expansion and business sustainability (WMS=3.86 each), sales growth (WMS=3.85) and business expansion (WMS=3.83). The combined internal-external model was statistically significant ($F(12,369)=3.78$, $p=0.0018$; $R^2=0.2698$; adjusted $R^2=0.2460$). The study concluded that women-owned businesses in Oyo State were generally profitable and sustainable, but business expansion was comparatively limited. Improving performance requires simultaneous attention to entrepreneurial capabilities and the external environment, particularly finance, infrastructure, training and socio-cultural constraints.

Keywords: *Women Eentpreneurs; Entrepreneurial Performance; Multidimensional Factors; MSMEs; Oyo State*

Introduction

Entrepreneurship is an important mechanism for economic growth, innovation, job creation and livelihood development, particularly in emerging and developing economies (Naudé, 2022; OECD, 2023). Women's participation in entrepreneurship is especially important because business ownership can provide income, economic autonomy and a pathway into productive activity where formal employment opportunities are limited (Ojong, Simba, & Dana, 2021). In Nigeria, women are highly visible in micro, small and medium-sized enterprises (MSMEs), including trading, agriculture, food processing, fashion and service activities. Women-owned enterprises therefore contribute not only to household income but also to community-level commerce and employment.

Despite increasing participation, women entrepreneurs often operate under conditions that restrict business growth and scaling. The literature identifies financial exclusion, limited business training, constrained human capital, weak infrastructure, socio-cultural expectations, regulatory barriers and limited market access as recurring influences on women-owned enterprises (Akanji, 2020; Alene, 2020; Bello, Yusuf, & Oladipo, 2023). These influences are multidimensional. Some arise within the entrepreneur or enterprise, such as experience, managerial skill, financial-management capability, innovation, risk-taking and decision-making, while others arise from the broader operating environment, including access to credit, government support, electricity, infrastructure, taxation, security, market competition and socio-cultural norms.

This distinction is consistent with complementary theoretical perspectives. Resource-Based Theory focuses on the way firms mobilise and deploy financial, human, technological and organisational resources; Social Cognitive Theory highlights the interaction of cognition, behaviour, self-efficacy and environment; and Contingency Theory proposes that enterprise performance depends partly on the fit between internal capabilities and external conditions. Together, these perspectives suggest that entrepreneurial performance cannot be adequately understood by examining finance, skills or the business environment in isolation.

Existing studies have examined individual determinants of women's entrepreneurial performance, but evidence remains fragmented across settings and variables. Studies in Nigeria and other developing economies show that education, training, innovation, finance, infrastructure, institutional support and socio-cultural conditions can influence business

outcomes (Alene, 2020; Ogaraku & Ayozie, 2022; Simatele & Dlamini, 2022). However, the relative contribution of internal and external factors may vary by context. Oyo State has a large and diverse MSME sector and a substantial population of women entrepreneurs, yet context-specific evidence integrating performance outcomes with multidimensional internal and external factors remains limited. This study therefore investigated multidimensional factors associated with the performance of women-owned entrepreneurial businesses in Oyo State. Specifically, it assessed the performance level of women-owned entrepreneurial businesses; examined the combined effect of multidimensional factors on women-owned entrepreneurial businesses performance.

Literature Review and Conceptual Underpinning

Women Entrepreneurship

Women entrepreneurship is the establishment, ownership, and management of business ventures by women for income generation, economic independence, and value creation. Women entrepreneurs contribute significantly to employment generation, household welfare, poverty reduction, and local economic development. However, their businesses are often concentrated in small-scale and informal activities and may be constrained by limited access to finance, inadequate managerial skills, social expectations, and weak institutional support. The performance of women-owned businesses is therefore influenced by a combination of internal and external factors. Internal factors include education, entrepreneurial experience, managerial competence, motivation, financial management, innovation, risk-taking ability, and strategic orientation. External factors include access to finance, market opportunities, infrastructure, government policies, institutional support, technology, and socio-cultural conditions. The interaction of these factors provides a more comprehensive explanation of variations in women entrepreneurial performance.

Women Entrepreneurial Business Performance

Business performance represents the extent to which an enterprise achieves its financial and strategic objectives. For women-owned businesses, performance may be assessed through both financial and non-financial indicators. Financial indicators include profitability, sales growth, revenue generation, return on investment, and business expansion, while non-financial indicators include customer satisfaction, innovation, market responsiveness, sustainability, and customer expansion.

A multidimensional approach is particularly relevant to women-owned businesses because many operate on a small scale and may not maintain comprehensive financial records. Consequently, relying exclusively on financial indicators may provide an incomplete assessment of business performance. The present study therefore adopts a broader perspective that considers different dimensions of entrepreneurial performance.

Empirical Review

Empirical studies demonstrate that both internal and external conditions influence women entrepreneurs' business outcomes. Alene (2020), in a study of women entrepreneurs in Ethiopia, found that education, entrepreneurial experience, access to finance, and managerial capabilities were important determinants of business performance. Similarly, Khan et al. (2021) reported that entrepreneurial skills, training, financial resources, and institutional conditions significantly influenced women-owned businesses.

Evidence from Nigeria also indicates the importance of these factors. Okezie et al. (2018) identified financial access, managerial ability, and environmental conditions as relevant determinants of women entrepreneurial activities. Okonkwo et al. (2022) further emphasized the contribution of entrepreneurial competencies, access to resources, and supportive business environments to enterprise outcomes. Ogaraku and Ayozie (2022) reported that access to finance, managerial competence, and market-related factors were associated with the performance of women-owned enterprises, while Bello et al. (2023) highlighted the relevance of training, innovation, financial management, and institutional support.

Recent evidence also suggests that the performance of women entrepreneurs cannot be adequately explained by financial resources alone. Entrepreneurial experience, record-keeping practices, innovation, marketing capability, family support, and risk-taking behaviour may strengthen business outcomes. At the same time, external conditions such as government policy, access to credit, infrastructure, socio-cultural expectations, technology, and market accessibility can either facilitate or constrain entrepreneurial performance. Akpuokwe et al. (2024) similarly emphasized the role of environmental and institutional factors in shaping women's entrepreneurial outcomes.

Overall, the empirical literature indicates that women entrepreneurial performance is multidimensional and results from the interaction between entrepreneur-specific capabilities

and the broader business environment. However, findings vary across countries, locations, sectors, and categories of entrepreneurs, suggesting that contextual investigation remains important.

Literature Gaps

Despite the growing literature on women entrepreneurship, three major gaps remain. First, an integration gap exists. Many previous studies have examined internal factors such as education, experience, entrepreneurial skills, innovation, and financial management separately from external factors such as finance, government policies, infrastructure, markets, and socio-cultural conditions. Consequently, there is limited evidence from models that simultaneously examine how these internal and external dimensions interact to influence women entrepreneurial business performance.

Second, a contextual gap exists. A considerable proportion of existing studies provide national-level evidence or focus on particular urban locations. There is comparatively limited empirical evidence specifically addressing women-owned businesses in the socio-economic environment of Oyo State. Differences in access to infrastructure, finance, markets, social networks, institutional support, and cultural expectations make location-specific investigation necessary. Third, a measurement gap exists. Previous studies have sometimes relied heavily on single indicators of business performance, particularly profitability or sales growth. Such measures may not fully capture the realities of small and informal women-owned enterprises. A multidimensional assessment incorporating profitability, sales growth, business expansion, customer expansion, and sustainability can provide a more comprehensive understanding of performance.

This present study addresses these gaps by examining the multidimensional factors affecting the performance of women entrepreneurial businesses in Oyo State. It integrates entrepreneur-related and environmental factors within a single analytical framework and assesses business performance using multiple dimensions. The study therefore provides context-specific evidence that can contribute to a better understanding of the conditions under which women-owned businesses achieve sustainable performance in Oyo State.

Methodology

A cross-sectional survey design was used. The study was conducted in Oyo State, Southwestern Nigeria, where women participate in diverse MSME activities including trading, agriculture, fashion/beauty, food processing and services. The study population comprised 4,320 women entrepreneurs registered with the Oyo State Ministry of Commerce according to the sampling frame used in the thesis. A probability sampling approach was used to select respondents from the sampling frame. The final analysis included 381 women entrepreneurs with usable questionnaires. The thesis attributed this sample to the Krejcie and Morgan approach; the

numerical derivation should be verified against the stated population before journal submission. Data were collected using a structured questionnaire. The instrument obtained socioeconomic and business characteristics and measured entrepreneurial performance together with internal and external explanatory factors using a five-point Likert response format from Strongly Agree to Strongly Disagree. Entrepreneurial performance was operationalised through profitability, sales growth, customer-base expansion, business expansion and business sustainability. Descriptive statistics (frequencies, percentages and means) were used to summarise respondent and business characteristics. Weighted mean scores and ranking were used to compare the five entrepreneurial-performance indicators. Multiple regression analysis was used for three inferential models: a combined internal-and-external model, an internal-factor model and an external-factor model. Model fit was assessed using the F statistic, R^2 , adjusted R^2 and associated p-values. Predictor-level interpretation in this manuscript follows the p-values and coefficient directions reported in the thesis tables.

Results and Discussion

Descriptive analysis of Performance of women-owned entrepreneurial businesses

Profitability was the highest-rated performance outcome (WMS=4.46). Customer-base expansion and business sustainability each recorded WMS=3.86, followed by sales growth (WMS=3.85). Business expansion ranked lowest (WMS=3.83). The narrow spread across the latter indicators suggests generally positive self-reported performance, but the relative ranking indicates that maintaining profitability and continuity was stronger than scaling the businesses.

Table 1. Performance indicators of women-owned entrepreneurial businesses

Indicator	WMS	Rank
Profitability	4.46	1
Customer-base expansion	3.86	2
Business sustainability	3.86	2
Sales growth	3.85	4
Business expansion	3.83	5

WMS = weighted mean score.

Combined internal and external factors

As presented in Table 2, the combined model was statistically significant ($F(12,369)=3.78$, $p=0.0018$), with $R^2=0.2698$ and adjusted $R^2=0.2460$. Thus, the model explained approximately 27% of the observed variation in entrepreneurial performance before adjustment and 24.6% after adjustment. Based on the p-values reported in the thesis, entrepreneurial training, financial-management skill, electricity supply, market accessibility and security situation were significant at the 5% level, while education showed weaker evidence at the 10% level. The findings indicate that performance reflects both enterprise capabilities and environmental conditions rather than a single dominant dimension.

Table 2. Summary of regression models and reported significant predictors

Model	Model statistics	Reported predictors with evidence of association
Combined internal + external	$F(12,369)=3.78$; $p=0.0018$; $R^2=0.2698$; Adj. $R^2=0.2460$	Entrepreneurial training; financial-management skill; electricity supply; market accessibility; security situation; education (10% level)

Source(s): Authors' computation (2026)

Discussion of Findings

This study provides evidence that the performance of women-owned entrepreneurial businesses in Oyo State is shaped by the interaction of internal capabilities and external operating conditions. Descriptively, the businesses were rated relatively strongly on profitability, customer-base expansion and sustainability, while business expansion was the

lowest-ranked outcome. This pattern suggests that many women entrepreneurs are able to sustain income-generating activity without necessarily translating survival and profitability into scale. Similar patterns have been reported for women-owned enterprises in developing economies, where financial constraints and structural barriers can limit business growth even when firms remain viable (Agyapong & Yeboah, 2022).

The respondent profile reinforces this interpretation. Most businesses were small and labour-light, and two-thirds employed five workers or fewer. Trading dominated the business mix, while personal savings and cooperative arrangements were important sources of finance. This concentration in micro-scale activity is consistent with the broader literature describing women-owned enterprises as frequently operating with modest capital bases and restricted access to formal financing (Akanji, 2020; Simatele & Dlamini, 2022). Reliance on self-financing may support business continuity, but it can also constrain investment in equipment, technology, inventory, marketing and expansion.

The combined regression model was significant and explained approximately one-quarter of the variation in performance after adjustment. The significance of entrepreneurial training and financial-management skill supports the proposition that human and managerial capabilities matter for enterprise outcomes. Training can strengthen opportunity recognition, planning and business discipline, while financial-management capability may improve budgeting, cost control and resource allocation. The result is broadly compatible with the Resource-Based perspective, which emphasises the value of firm-specific capabilities and deployable resources for performance (Wiklund & Shepherd, 2003).

Infrastructure and market conditions also emerged in the combined model. Reliable electricity was positively related to performance, whereas adverse market-access and security conditions were associated with poorer outcomes. These findings underline the limits of entrepreneur-focused interventions when the operating environment remains costly or unstable. Electricity interruptions can increase production and operating costs, while poor market access and insecurity can reduce customer reach, disrupt supply chains and discourage investment. The findings are consistent with Nigerian evidence linking electricity supply and market conditions to SME productivity and survival (Adeniran & Bello, 2022; Ojo & Adebayo, 2023; Umar & Abdullahi, 2024).

Taken together, the findings support a multidimensional interpretation of women's entrepreneurial performance. Interventions that focus exclusively on training without addressing finance and infrastructure, or exclusively on credit without strengthening enterprise capability, may have limited effects. A more integrated ecosystem approach is indicated: strengthen human and managerial capabilities, improve finance and infrastructure, reduce unnecessary regulatory costs, expand market access, and address socio-cultural constraints that disproportionately affect women.

Conclusion and Recommendations.

Women-owned entrepreneurial businesses in Oyo State demonstrated relatively strong profitability and sustainability but comparatively limited business expansion. Their performance was associated with a combination of entrepreneurial capabilities and environmental conditions. The combined model confirmed the multidimensional nature of performance, while the external model showed particularly clear relevance for access to credit, electricity supply and socio-cultural conditions. Supporting women-owned enterprises therefore requires an integrated strategy that strengthens training, financial-management capability, innovation and scaling while simultaneously improving finance, infrastructure, market access and the institutional and socio-cultural environment.

Based of Findings it is recommended that Government, financial institutions, and development partners should expand gender-responsive financing, practical entrepreneurship training, mentoring, and business-support infrastructure for women entrepreneurs. Women-owned businesses should be supported through improved market access, technology adoption, networking, formalization, and structured business-scaling opportunities. Policies should also simplify taxation and regulatory processes while addressing socio-cultural, household, security, and other constraints that increase business operating costs.

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