

Abstract

Financing to start up a business or continue, through external or formal sources of finance has become an issue mainly for women entrepreneurs and usage of bootstrapping techniques has been a support in this regard. Therefore, this research is to identify how and when women entrepreneurs bootstrap and how bootstrapping impacts on perceived performance of women owned firms when compared to formal sources of finance. Further, the researcher intends to identify the moderating effect of firm age, firm size and networking of woman entrepreneur in the relationships. A survey research design was used with the application of convenience sampling with sample size of 150 of women entrepreneurs in Colombo and Kandy district and quantitative analysis was conducted to test the hypothesis. Primary data were collected through structured questionnaire: data were analyzed through descriptive statistics, factor analysis and regression analysis. Further, a qualitative analysis was conducted by selecting a woman owned firm as a case study. An interview guide, semi structured interviews and secondary data was used in collecting data to support the results of the quantitative analysis. The results of the study showed that there is a moderate positive effect from both formal sources of finances and bootstrapping techniques to perceived performance of women owned firms. Moreover, the results indicated that firm age moderates both effects between bootstrapping techniques and formal sources of finance to perceived performance of women owned firms. However, firm size moderates only the effect from formal sources of finances to perceived performance of women owned firms and networking of woman entrepreneur moderates only the effect from bootstrapping techniques to perceived performance of women owned firms. The study contributes to theory by identifying a moderate positive effect from bootstrapping techniques to perceived performance of women owned firms. Further the EFA identified that the bootstrapping techniques can be categorized to four dimensions, namely; supplier related, owner related, customer related and jointly shared in the Sri Lankan context. With the minimal knowledge available on bootstrap financing techniques, entrepreneurs benefit from the addition to this knowledge base. Since no similar research has been reported in the past, this study takes its own independent approach and presents its analysis and findings as a novel addition to the women entrepreneurship literature in Sri Lanka.

Key words: Bootstrapping Techniques, Formal Sources of Finances, Perceived Performance of Women Owned Firms, Firm Age, Firm Size, Networking of Women Entrepreneurs