

# Moderating Role of Social Gender Norms between Institutional Support and Women Entrepreneurial Survivability in Nepal

Radha Devi Ghimire

Assistant Professor, Public Administration  
Campus, Tribhuvan University  
Email: rdghimire@cdpa.edu.np  
<http://orcid.org/0000-0001-7016-7381>

Received on : 08<sup>th</sup> August, 2024  
1<sup>st</sup> Revised : 10<sup>th</sup> September, 2024  
2<sup>nd</sup> Revised : 12<sup>th</sup> October, 2024  
Accepted on: 15<sup>th</sup> November, 2024  
Published on : 18<sup>th</sup> December, 2024

## Cite this paper

Ghimire, R.D. (2024). Moderating Role of Social Gender Norms between Institutional Support and Women Entrepreneurial Survivability in Nepal. *The International Research Management Science*, Vol. 9 (1), 151-168.

Copyright©Authors

<https://doi.org/10.3126/irjms.v9i1.72721>

---

## Abstract

**Purpose:** The purpose of the paper is to identify the moderating role of socially constructed gender-based norms in the relationship between institutional support and entrepreneurial survivability based on women entrepreneurs' perceptions.

**Method/ Design:** The study follows a causal research design. The population comprises all women entrepreneurs from all over Nepal with purposively selected 353 samples from conveniently selected four provinces. The moderation effect was tested with the application of Structural Equation Modeling based on the institution theory using SPSS with AMOS. Exploratory Factor Analysis, Confirmatory Factor Analysis, and moderation test were conducted to find the results in the three-step processes.

**Findings:** Findings showed that the moderating effect of gender-based norms weakened the relationship between institutional support and survivability.

**Implications:** A policy implication of the study requires consideration of gender norms while providing support to women entrepreneurs. Regarding the practical implications of the policies, women entrepreneurs should be made more knowledgeable about the socially constructed problems in their entrepreneurial journey.

**Originality/Limitation of the Study:** This study contributes to the growing literature and body of knowledge in the field of entrepreneurship especially in the context of Nepal. Conclusions are based on only the perception of women entrepreneurs. The study conclusions are unique and might not apply in the context of a developed economy. A comprehensive and detailed understanding can be obtained from the analysis of different perspectives on women's entrepreneurial survivability.

---

**Keywords:** *Institutional support, Gender -Based norms, Entrepreneurial Survivability, Structural Equation Modeling, Interaction*

## Introduction

The COVID-19 pandemic adversely affected every part of the global economy (Sachs, 2022). Sachs claimed that skilled individuals recapped their businesses because of rapid digital development and could secure low-interest loans. However, lower-skilled business owners and poor country businesswomen remained depressed from such kind of support (Sachs, 2022) because most of the women entrepreneurs in the developing economies were not able to utilize resilient facilities. Moreover, women have many challenges transitioning from homemakers to business owners, particularly in a strong stereotyped patriarchal society like Nepal. For illustration, in an underdeveloped country like Nepal, social and cultural phenomena are based on deep-rooted patriarchal normative values. Women have lower access to and control over productive resources. Women enjoyed 19.71 percent in 2011 (Central Bureau of Statistics, 2012) and 23.8 percent in 2021 (National Statistics Office, 2023) ownership over land and property. Managing work-life balance is hard for them due to multiple roles, lack of skills, unequal gender roles, power dynamics, and institutional and procedural barriers making the business environment more complex and sensitive for women (Acharya & Pandey, 2018). Women entrepreneurship and the economy are closely related: “countries with high female entrepreneurial activity rates tend to be characterized by high total entrepreneurial activity rates” (Verheul et al., 2006). Female participation in business in Nepal is low, with only 10 percent of business owners being female compared to 90 percent male in 2020 (World Bank Groups, 2024).

Dikler (2021) finds that the pandemic of COVID-19 has an excessively greater effect on women than men in many countries, increasing gender inequality. Because of the pandemic, 75 percent of small and cottage industries were completely shut down and of the remaining industries, 23.52 percent experienced a 75 percent decline in production capacity in Nepal (Aarthik Abhiyan, 2021). Only 13 percent of Small and Medium Enterprises (SMEs) are fully or partially owned by women in Nepal and since the COVID-19 pandemic around 15 percent of women-owned businesses has completely shut down (Upadhyay & Karki, 2021). Many women-led SMEs shut down due to the effect of COVID-19, the inability to pay employees salaries, difficulty in renting buildings, and the lack of resources. However, some owners are trying to reopen or restart new businesses. If this adverse effect is not properly addressed, it will widen the gender gap and slow down the economy of the world (Dikler, 2021). Women are still underrepresented as business owners and face double barriers as entrepreneurs and women entrepreneurs.

Women entrepreneurs often face gender-based barriers, such as access to finance, time management, mobility, information and network, from the starting phase of business. These are the consequences of discriminatory property rights, matrimonial and inheritance laws, cultural practices, household responsibilities, and caring and raring responsibilities. McDougall et al. (2021), citing from (WEF 2016), state that if gender equality progress runs at the current pace, it will take 170 years to achieve gender equality, and 200 years to achieve economic equality (Practical Action, 2022). Gender inequality is more widespread in low-income countries than in high-income countries because of male-dominated gender norms (McDougall et al., 2021), and it is multi-faceted and complex to address.

Women entrepreneurs in developing economies are risk-takers, who come from socially bounded complex situations. They bring business ideas, start and manage businesses, and support economically to families, society, and the nation (Rajvanshi, 2017). Women entrepreneurship is a tool to empower women economically and foster economic development of the country.

Governmental and non-governmental institutions focused on regulative and cognitive support, such as financial access, policy advocacy, training, counseling, incubator, and networking support to uplift the position of women entrepreneurs. However, no support was found in terms of deeply-rooted social problems by which women entrepreneurs perceived themselves differently and had a lower ability to do business than men. Furthermore, gender-based perception raises the question: Are regulatory and cognitive supports sufficient to sustain women entrepreneurs? And how does the gender-based social norms play a role between institutional support and survival of women's entrepreneurship, especially in the contexts where social norms are strong, like Nepal?

Tausl et al. (2015) claimed a gap in measuring the effectiveness of entrepreneurship-supportive policy despite every public policy's contribution to entrepreneurial promotion. Nepal is not listed yet in the Global Entrepreneurship Monitoring (GEM) report and has not defined itself about the Total Entrepreneurial Activities (TEA) and TEA levels. Hence, entrepreneurship-related data is not found sufficiently. Moreover, gender-segregated data is hard to find due to the lack of gender-based data collection at the national level.

The main argument of this study is that governmental and non-governmental institutions are claiming that they are supporting many women entrepreneurs for their existence and growth. However, they are still vulnerable due to various challenges and continue to experience difficulties in regard to existence. They either do not know about the support or the aids provided are not addressing their issues. Evidence suggests that with continuous support from policy and institutions, businesswomen can rapidly grow their ventures (Kazumi & Kawai, 2017). The government of Nepal and various developmental organizations have come up with subsidies and supportive schemes promising to enhance women entrepreneurs. Nepal Rastra Bank has been providing concessional loan support. The evidence also shows that "women have increasingly relied on informal lenders, where interest rates are usually higher than formal institutions" (Upadhyay & Karki, 2021). Why are businesswomen forced to take high-interest loans from external sources rather than accessing concessional loans? This study attempts to search for a solution to this kind of problem.

The main objective of the study is to find out the moderating role of socially constructed gender-based norms in the relationship between institutional support and entrepreneurial survivability of women, based on their perceptions.

If the state develops avenues of opportunities, all inequalities can be removed through the wide participation of stakeholders in the policy process (Georgieva, 2022). Sustainable Development Goal Five (SDG 5) focuses on economic inclusion and promotion of gender equality in the economy for the sustainable development of the country. Businesswomen are the agents to solve social exclusion and poverty through employment generation and sustainable economic development (Kazumi & Kawai, 2017). Women entrepreneurship creates new jobs for themselves, and society, and is an important source of economic growth for the country. According to the report of the (Himalayan Climate Initiative, 2021), out of the estimated 111, 442 SMEs in Nepal, 12.8 percent are owned and operated fully or partially by women (Himalayan Climate Initiative, 2021). In total, 5,000 women entrepreneurs are registered in the Federation of Women Entrepreneurship in Nepal (FWEAN). They are providing job opportunities to 50,000 people (Upadhyay & Karki, 2021). They can contribute to the well-being of families as

well as society, and reduce poverty. Entrepreneurship can solve various social problems, such as the establishment of new companies, giving ideas to politicians for job creation, and regional development (Frank & Landström, 2015).

Supporting and empowering women entrepreneurship can lead society to get rid of poverty, inequality, and injustice. As a result, they can contribute to achieving sustainable development in the economic and social aspects.

Many studies on policy and institutional support for women's entrepreneurship can be found internationally (Kazumi & Kawai, 2017). However, in the Nepalese context, there is a lack of scholarly attention regarding the effect of gender norms on the institutional support and survivability.

### **Status of Financial access to women entrepreneurs**

Access to capital may have gender-related barriers. Verheul et al. (2006) stated that investors are less favorable towards female-owned businesses comparatively because women often start and operate in smaller sizes, focus on service-oriented sectors, and run their businesses part-time. They are less profit-oriented, hence it is difficult to convince investors. In Nepal, concessional interest loans are not accessible to many women entrepreneurs because of the provision of collateral (Nepal Rastra Bank, 2020), and it is inadequate. Businesswomen can receive a maximum of 1.5 million Nepali rupees without collateral, with a concessional interest rate of 6 percent charged by the bank. The government credit scheme of concessional loans to women entrepreneurs was launched in the Fiscal year 2018-19. 796 women entrepreneurs got credit by mid-July 2019; 6,682 by mid-July 2020, and 50,513 by mid-July 2021 (Xinhua, 2021). The concessional credit scheme has been extended from Rs. 4.35 billion by mid-July 2020 to Rs. 44.66 billion by mid-June 2021. In 2021, a concessional loan of Rs. 50.98 billion was extended to 55,551 women entrepreneurs. Additionally, there are plans to provide project-based loans of Rs. 2 million to operate micro-enterprises and self-employed businesses at a 5 percent interest rate including insurance for these loans ((Nepal Rastra bank, 2021). Despite the Nepal Rastra Bank directives, bankers asked for collateral, institutional recommendations, and proposals for the loan-providing procedure.

In Nepalese society, there are no practices to provide fixed assets to women, whether daughters nor daughters-in-law. Nepalese law ensures equal property rights to males and females whether they are married or not. The Constitution of Nepal 2015, 38 (6) declares that “both the spouses shall have equal rights to property and family affairs” ((The Constitution of Nepal 2015, Second Amendment 2020), 2015) p.13). Similarly, the article 18(5) states “There shall be no gender discrimination regarding the right to parental property concerning all family members (The Constitution of Nepal 2015, 2015, p.7)). However, the distribution of equal property rights is constrained by patriarchal social norms and values. So, women still have not realized equal property rights. It hinders businesswomen's access to both general and concessional loans. Financial institutions are less likely to lend finance to early-stage and seed-business due to high risks, lack of track record, lack of profitability information, and fixed-cost transactions (Verheul et al., 2006).

According to a World Bank data, in 2022, 89 percent of women in Nepal, aged 15-49, did not have registered land in their name (The World Bank Group, 2024). The financial weakness negatively affects decision-making. In Nepalese practice, women cannot decide to take financial support without the

permission of family members. Microfinance can serve as a significant source of financing; however, it is often criticized for exploitative practices, such as enforcing coercive rules and charging high interest rates to generate revenue (The Asia Foundation, 2019). A lower level of financial literacy is another hurdle to women entrepreneurs for financial access. The financial literacy score of males is higher than females by 7.5 percentage and the financial knowledge score of males is higher than females by 17.9 percent (Nepal Rastra Bank, 2022). Such a difference in financial knowledge between genders is found in all provinces. On one hand, weak implementation mechanisms, and a lack of supervision and monitoring system prevent policy provisions from being effectively implemented, and on the other hand, programs and supports do not reach actual needy groups of entrepreneurs (FWEAN, 2019). Increasing in the registration of women-owned enterprises is shown by the Department of Cottage and Small Industries because of discounted fees in registration. However, they do not get support for further development of business (FWEAN, 2019). FWEAN (2019) further claimed that the government is not able to recognize the entrepreneurs who are truly in need and that subsidized credit facilities are limited. Moreover, the existing subsidy programs are not effectively implemented, leaving women entrepreneurs without the support they need to survive. In addition, many entrepreneurs are unaware of the subsidized loan and documentation process. Entrepreneurial women either lack access to supportive interventions or they do not meet their needs or the supportive framework may not be adequate. The World Bank Report presents an inadequate supportive framework. The evidence shows that the supportive framework score is 43.3, indicating a poor framework (The World Bank Group, 2024).

Different types of policies and programs are helping to foster business. Tausl et al., (2015), citing from (Fritsch, 2013), states that increasing the establishment of ventures means to reduce unemployment and boost innovation, and productivity. Only appropriate support, including appropriate ways/procedures of delivery, can help entrepreneurs minimize their obstacles (Tausl et al., 2015). According to Tausl et al. (2015), the rationality of supportive business policies is related to the growth and wealth maximization of entrepreneurs because they create employment and innovation. Another cause is if policies do not support business, efficiency can decrease leading to the market failure. Furthermore, such support may lead to government failure if entrepreneurs misuse the support and use it for their benefit (Tausl et al., 2015). The World Bank report declares that closing the gender gap in employment could increase the long-term Gross Domestic Product (GDP) per capita by about 20 percent globally (Bjerde & Gill, 2024). The study can support the achievement of Sustainable Development Goals (SDGs), specifically Goal 8 which focuses on employment and economic growth and Goal 5 which aims to achieve gender equality.

## **Literature Review**

Literature reveals that entrepreneurial activities of male and female entrepreneurs are still associated with gender-based characteristics and socially constructed norms and roles are the constraints for women entrepreneurs. Decision-making procedures, power dynamics, household roles and responsibilities, the division of patriarchal immovable property and resources, as well as viable careers for males and females are influenced by these factors, either encouraging or discouraging certain behaviors and roles. These factors play an important role in venture development and subsequent entrepreneurial processes. For example, women entrepreneurs are more likely to do service-oriented and small-sized businesses than their male counterparts. Ultimately, the nature and size of the business reinforce the stereotypical gender-based identity of males and females (Gupta et al., 2009). Further, Gupta et al. (2009), citing from (Heilman, 2010), state that managerial jobs are mainly men's businesses whereas secretarial jobs are

women's businesses. This belief reflects gender-based stereotypical occupations in society, which, in turn, reinforces the idea that the business world is man's world (Gupta et al., 2009). The perception built up from traditionally tagged businesswomen, managers, and leaders suggests that they might be seen as less competent and less passionate to go longer periods in the male-dominated field. To uplift this position in the business field, supportive activities and interventions play significant roles.

Government support for promoting gender equality is limited to legislative measures and, to some extent, extends to business counseling, networking, and exposure. However, social norms play a significant role in gender equality (Bjerde & Gill, 2024) in all spheres. How regulatory and cognitive support can work without changing social norms is the major and contemporary question. Scott (2005) emphasizes that organizational normative factors have a significant role in entrepreneurship. However, social norms are often ignored factors in determining start-up and continuity.

Institutional factors and government intervention are the major determining factors for entrepreneurship (Verheul et al., 2006). Many organizations have supported women entrepreneurs in various areas in Nepal. Among the major institutions are the Federation of Women Entrepreneurs Association, Nepal (FWEAN), the Federation of Nepalese Chamber of Commerce and Industry (FNCCI), the Department of Cottage and Small Industries (DCSI), Micro Enterprise Development for Poverty Alleviation, South Asian Women Development Forum, the Federation of Business and Professional Women Nepal, and Ministry of Women, Children, and Senior Citizens (MoCSC).

Government intervention and institutional factors influence the accessibility of entrepreneurial opportunities by shaping tax and income policy, (de)regulation, fiscal incentives, and capital accessibility based on the demand side. Similarly, on the supply side, the government can influence capacity development, social security, and the educational system (Verheul et al., 2006).

Business registration procedure and associated costs from initiation to the operation phase may be a hurdle for women entrepreneurs. Registration-associated factors are documentation procedures to start a business, hiring, registering property, including business closure (Verheul et al., 2006). Timing and money are seen as complex and discouraging by registered businesses. If the government reforms the bureaucratic hurdles by improving processing consuming time and money, it can ultimately lead to economic growth.

### **Theoretical underpinning**

This study is based on institutional theory, which has attracted many authors to apply it in the fields of entrepreneurship and institutional research ((Kazumi & Kawai, 2017; Zucker, 1987). The major assumption of this theory is that institutions' rules shape individuals' behavior, beliefs, and course of action (Kazumi & Kawai, 2017). It is a complex theory as it tries to capture the normative, regulative, and cognitive values of society and describe the social order, action, and cultural values (Delmestri, 2008). It focuses on the rules, norms, and belief systems to constrain and empower social action (Delmestri, 2008). Rules, norms, and cultural belief systems guide their roles for stability and domination at various levels, such as from the organizational level to the world system.

The main objective of the institutional theory is to describe the stability in social interaction patterns at individual, organizational, community, and state levels (Delmestri, 2008). Institutions are multifaceted, self-activating, and symbolic elements and are made up of a set of cultural and historical forces (Delmestri, 2008). Norms, values, and social beliefs of institutions are set because of interaction and create legitimate standards under normative institutions. Similarly, regulative institutions operate based on the rules of games and/or legitimate power and authority (Delmestri, 2008).

## Hypothesis Development

Cultural values and beliefs shape behavior, which in turn influences start-up and continuation. Cultural indicators, such as power distance, individualism, masculinity, and uncertainty influence business. From a gender perspective, women are less likely to exhibit entrepreneurial traits and pursue entrepreneurship (Verheul et al., 2006).

**Hypothesis 1: Perceived gender-based social norms moderate the relationship between regulatory support and the survival of women entrepreneurs:** The Unified Working Procedure of Interest Grants on Concessional Loans 2019 declared to provide concessional loans up to the limit of Rs. 1.5 million to develop women's entrepreneurship with the provision of collateral (Nepal Rastra Bank, 2019, p. 7). However, women are not qualified for loans from banks and financial institutions (BFIs) due to the provision of collateral. Similarly, bankers demanded various documents to apply for concessional loans. The Constitution of Nepal, 2015, includes mandatory provisions requiring all three levels of government to create an enabling environment for women entrepreneurs in their policies. It also guarantees equal ancestral property rights without gender-based discrimination (p. 17) and states that "husband and wife both have equal rights to property and family affairs" (The Constitution of Nepal 2015, Second Amendment 2020, pp. 17, 18), marking a crucial step for these initiatives. Some policy provisions have been specifically designed to support women entrepreneurs. For instance, the Industrial Enterprise Act 2016 includes supportive measures for women entrepreneurs: if a firm is registered under the sole ownership of a female entrepreneur, it is eligible for a 35 percent exemption on the registration fee, a 25 percent exemption on charges related to industrial property, priority in establishing industries in industrial zones or villages, and the possibility of receiving export loans for sole-ownership export industries (The Industrial Enterprises Act, 2020, 2020, p. 37 ), (FWEAN, 2019). MoWCSC launched a Presidential women entrepreneurship program to facilitate women entrepreneurs. Other types of support can also be found from non-governmental organizations such as FWEAN, FNCCI, Dayitto Nepal, and WEAN chapters. However, these practices do not always align with the legal provisions.

Businesswomen have multi-dimensional hurdles to enter and survive in historically male-dominated fields such as business. Policy provisions try to solve many problems of businesswomen. However, socio-cultural obstacles are not addressed and many of the problems, such as credit access, and various types of business services are unsolved. The regulative and policy supports do not address the social and gender-based norms and socio-cultural normative values that are deeply rooted in Nepal's strong patriarchal system. The argument is that unless the supportive system addresses gender-based social norms, the problems of women entrepreneurs will be hard to resolve. The hypothetical assumption is that gender-based social norms may weaken the policy support and survival of women entrepreneurs. The critique of institutional theory is that legitimate standards are not always set up by social interaction; external elements also play a decisive role (Delmestri, 2008). How would the role played by gender-based social

norms as a factor outside the institution be a testing variable in this study? So, the hypothesis is developed as **perceived gender-based social norms moderate the relationship between regulatory support and the survival of women entrepreneurs.**

**Hypothesis 2: Perceived gender-based social norm moderates the relationship between cognitive support and the survival of women entrepreneurs.** Support activities beyond regulatory and policy provisions include various forms of assistance provided by institutions, such as business and managerial skills development, training, counseling, networking, marketing, business exposure, information about the business environment and opportunities, as well as technical, secretarial, and other services. These resources are often beyond the reach of women entrepreneurs. Furthermore, due to the geographical nature of rural and hilly areas in Nepal, transportation and logistics management are challenging. Limited business connections and a lack of strong market infrastructure add to these difficulties (FWEAN, 2019). Due to unavailability or lack of access, whether because of time constraints, inappropriate timing, or increasing competition, women entrepreneurs remain in a vulnerable position, struggling to sustain their businesses. Moreover, initiatives may not align with their needs or be compatible with their social and cultural contexts. Preparing proposals to apply for loans and other documentation poses a significant challenge for them to access the assistance. Further evidence shows that female entrepreneurs who perceive themselves as similar to males in terms of gender-based norms and roles have higher entrepreneurial intentions, while those who perceive differences have lower entrepreneurial intentions (Gupta et al., 2009). The deeply rooted gender-based identity and socially constructed gender stereotyping roles may ultimately influence the survivability of women's entrepreneurship. So, the hypothetical assumption suggests that a perceived gender-based social norm moderates the relationship between cognitive support and the survival of women entrepreneurs.

## Methods

This study used a causal research design. The population of this study consists of all registered women entrepreneurs in Nepal. 353 samples were collected from conveniently selected four provinces of Nepal and purposively selected women entrepreneurs who have registered businesses and possess at least three years of business experience. The researcher sought participants who are familiar and qualified with business and institutional support since unregistered businesses are not qualified to receive institutional support. The assumption was that those with some experience and registered businesses may be aware of the available support, programs, and policies. Out of 384 distributed questionnaires, incomplete ones were removed, leaving only 353 questionnaires analysis.

Before distributing the questionnaire, respondents' consent was taken by briefing the research objectives and the confidentiality of information. Structural Equation Modeling with AMOS-22 was used to identify measurement models and moderating effects after Exploratory Factor Analysis (EFA) in SPSS-26. The five-point Likert Scale questionnaire was developed with four latent factors and their respective constructs. Background questions, institutional support via regulative (policy) support, cognitive support, and gender-based social norms were included in the questionnaire. Data was analyzed in three steps:

Step 1: In the preliminary analysis of the scale, Exploratory Factor Analysis (EFA) was conducted using Principal Component Analysis and Promax with Kaiser Normalization rotation method through SPSS.

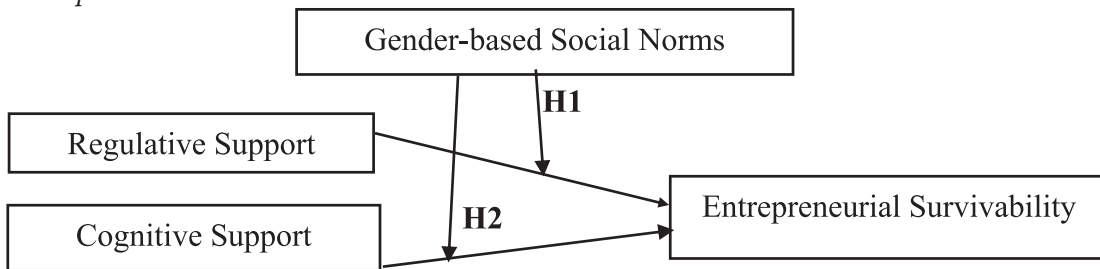


Step 2: This consisted of further validating the factor structure in which the output of EFA was sent to Confirmatory Factor Analysis (CFA) through AMOS.

Step 3: Hypothesis was tested by assessing the structure using AMOS.

**Figure 1**

*Conceptual Framework*



**Results**

**Demographic characteristics of respondents**

Baseline characteristics include the respondent’s age, educational qualification, work experience, average annual income, business location, household support, and family response when starting the business.

**Table 1:**

*Demographic Information of Respondents*

N=353		
Baseline Characteristics	N	Percent
<b>Age</b>		
16-20	8	2.27
20-29	75	21.25
30-39	172	48.73
40-49	84	23.80
50-59	13	3.68
Above 60	1	0.28
<b>Academic Qualification</b>		
No formal Education	42	11.90
Primary Education	89	25.21
Secondary Education	135	38.24
Higher Education	87	24.65
<b>Work Experience in Business</b>		
3 -5 years	289	81.87
More than 5 years	64	18.13
<b>Annual Income</b>		
Up to 5 lakhs	235	66.57
6- 10 lakhs	87	24.65
More than 11 lakhs	31	8.78

Business Located Region		
Koshi Pradesh	65	18.41
Bagmati Pradesh	112	31.73
Gandaki Pradesh	124	35.13
Far-Western Pradesh	52	14.73
Household support to do business		
Yes	277	78.47
No	76	21.53
Family response when starting the business		
Hostile	19	5.38
Indifferent	76	21.53
Supportive	179	50.71
Very Supportive	79	22.38

(Source: Survey, 2023)

The respondents aged between 30 and 39 years represent the highest percentage at 48.7%, while those above 60 years make up less than one percent. The largest group of respondents, 38.2%, have secondary and higher secondary education, while 12% of respondents have not received any formal education.

82 percent of respondents had 3 to 5 years of business experience, while only 18 percent had more than 5 years of business experience. 67 percent of respondents earned only up to 0.5 million rupees yearly, and less than 9 percent earned more than 1 million rupees annually. More than one-third of respondents were from Gandaki Province, while the second highest group, 32 percent, were from Bagmati Province. More than two-thirds (79 percent) of respondents were getting support from household and family.

## Model Identification

Exploratory Factor Analysis (EFA): EFA using the Principal Component Analysis and Promax with Kaiser Normalization rotation method was used for analyzing the factor structure and correlation between items in the scale. The results of the rotated factor matrix are provided in the following tables.

**Table 2**

*KMO and Bartlett's Test*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.816
Bartlett's Test of Sphericity	Approx. Chi-Square	3064.4
	df	231
	Sig.	.000

The KMO value is above 0.50. It indicates that the criteria of sampling adequacy are met. The Bartlett test of Sphericity is statistically significant ( $p < .05$ ). It indicates the correlation matrix is statistically different from an in-identity matrix as desired.

**Table 3***Pattern Matrix*

	Components			
	1	2	3	4
Inst_environment	0.796			
Inst_product_dev	0.776			
Inst_marketingassistance	0.729			
Inst_expose	0.722			
Inst_advocate	0.717			
Inst_devisesol	0.678			
Inst_training	0.664			
Inst_legal	0.648			
Inst_informloan	0.541			
Gend_multiplerole		0.793		
Gend_property		0.771		
Gend_society		0.715		
Gend_time		0.661		
Gend_equalright		0.658		
survive_comadv			0.924	
survive_competency			0.91	
survive_marketshare			0.673	
survive_network			0.604	
Policy_registration				0.828
Policy_affordable				0.792
Policy_rebate				0.735
Policy_strategicplan				0.511

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

Rotation converged in 5 iterations.

The result of the EFA shows that the solution is based on four factors as expected and all items were loading on their factors. The four-factor solution explains 55.03 percent variance of the total variance. The results of the EFA showed that factors have a good level of validity. For further validation, the EFA result was sent to CFA.

### Confirmatory Factor Analysis (CFA)

The AMOS version 22 is used to perform the CFA. The model was assessed for testing the reliability, convergent, and discriminant validity. The graphical representation of the final calculated model is as follows:

Figure 2

Confirmatory Factor Analysis Model

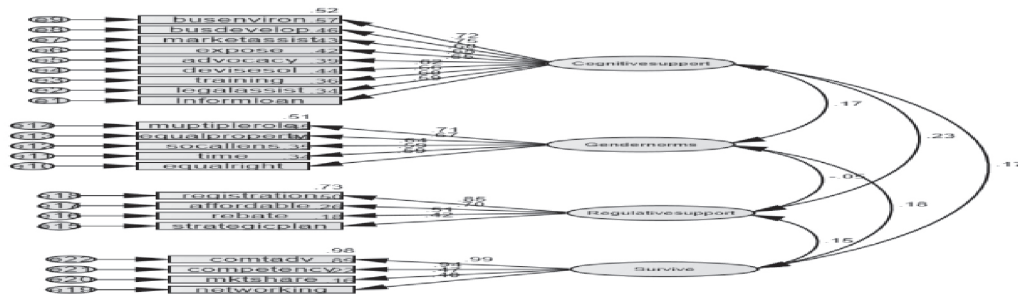


Table 4

Reliability and Convergent Validity

Variables Construct s	Items	Standardized Factor Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted	Maximum Shared Variance
Survivability	comadvantage	0.98	0.812	0.818	0.562	0.032
	competency	0.885				
	marketshare	0.22				
	network	0.163				
Regulative Support	registration	0.727	0.844	0.726	0.416	0.054
	affordable	0.496				
	rebate	0.264				
	strategicplan	0.175				
Gender-based norms	multiplerole	0.507	0.823	0.776	0.411	0.032
	property	0.447				
	society	0.41				
	time	0.345				
	equalright	0.343				
Cognitive support	environment	0.517	0.923	0.874	0.436	0.054
	product dev	0.569				
	marketingassist	0.464				
	expose	0.426				
	advocate	0.417				
	devisesol	0.386				
	training	0.441				
	legal	0.363				
informloan	0.343					

Model Fitness:  $\chi^2=441.447$ ,  $df= 203$ ,  $\chi^2/df=2.175$ ,  $RMSEA=.058$ ,  $RMR=.069$ ,  $GFI=.897$ ,  $CFI=.91$

CR, AVE, and MSV are calculated using Gaskination's Stat Tools(Gaskin, 2016).

Most of the items' standardized factor loading was above 0.50 and the factor loadings less than 0.4 were excluded (Ertz et al., 2016). The measurement model shows acceptable fit Chi-square /degree of freedom (X2/df) = 2.175, p= 0.000; Comparative Fit Index (CFI) = .91 and indicating 91% of the covariation in the data. The model adequately predicted the co-variance matrix because it is closed 1. The Root Mean Square Error of Approximation (RMSEA)= 0.058; Tucker Lewis Index (TLI)= 0.907; Incremental Fit Index (IFI)= 0.919, Normed Fit Index (NFI) = 0.859, and Relative Fit Index (RFI)= 0.840 are more than 90 percent close to 90 percent respectively and the model fit is acceptable (Collier, 2020; Hu & Bentler, 1999). Cronbach's Alpha for all constructs greater than 0.812 is reliable according to (Collier, 2020). Average Variance Extracted (AVE) values range from 0.411 to 0.562. Convergent validity may be concluded based on Composite Reliability (CR) alone because AVE may be a conservative estimation of the validity of the measurement model (Fornell & Larcker, 1981) (Fornell & Larcker, 1981; Lam, 2012). Composite reliability (CR) ranges from 0.726 to 0.874 and meets the suggested level by (Fornell & Larcker, 1981) and an acceptable level of validity. Maximum Shared Variance (MSV) is another measurement of convergent validity and all MSVs are less than the respective AVE for all variables.

### Discriminant Validity

**Table 5**

*Shared Variance Between Constructs*

Constructs	comp cognitive	Comp regulatory	Comp survive	Comp_gendernorms
comp cognitive	<b>0.436</b>			
Comp regulatory	0.053	<b>0.416</b>		
Comp survive	0.045	0.016	<b>0.562</b>	
Comp_gendernorms	0.022	0.00	0.03	<b>0.411</b>

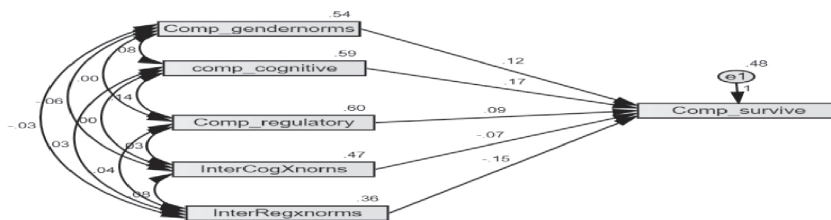
For establishing discriminant validity, in the above table, the values in the diagonal bold are AVE and other values are squares of inter-variable correlation. The requirement is that the diagonal bold values should be higher than other values in their respective rows and columns (Collier, 2020). So, the model supports the constructs with good discriminant validity (Collier, 2020).

### Structural Model (Hypothesis Testing)

Moderation was tested with the process guidance by Collier, (2020). The study assessed firstly the moderating role of the perception of gender-based social norms of women entrepreneurs on the relationship between cognitive support (CS) and entrepreneurial survivability (ES). Secondly, it weighed the moderating role of the perception of gender-based social norms of women entrepreneurs on the relationship between regulative support (RS) and entrepreneurial survivability.

**Figure 3**

*Moderation Model From AMOS*



**Table 6**

*Summary of Moderation Analysis*

Relationship	Beta	C.R.	P-value	Status
Comp_survive <- Comp_gendernorms	0.123	2.39	0.017	H2 supported H1 not supported
Comp_survive <- comp_cognitive	0.168	3.367	***	
Comp_survive <- Comp_regulatory	0.094	1.916	0.055	
Comp_survive <- InterRegxnorms	0.154	2.443	0.015	
Comp_survive <- InterCogXnorms	0.071	1.283	0.2	

The result revealed a non-significant moderating impact of gender norms on the relationship between Cognitive Support (CS) and Entrepreneurial Survivability; since, (b= -0.071, t= -1.283, and p = 0.2) thereby rejecting H1.

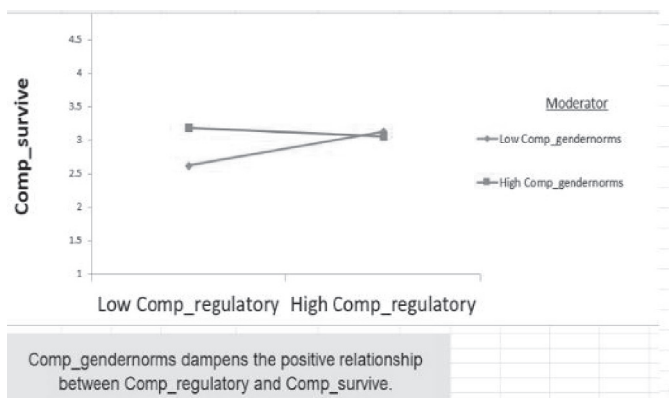
In hypothesis H2, a negative and significant moderating impact of gender norms on the relationship between regulative support and entrepreneurial survivability was found (b = -0.154, t= -2.443, and p= 0.015), thus supporting H2.

**Results of Simple Slope Analysis**

To determine how the moderator influences the relationship between the independent variable and the dependent variable, changes at different levels of the moderator are required. The different levels of moderating effects are performed by creating low-level moderator and high-level moderator by using the Gaskination’s Stat Tool.

**Figure 4**

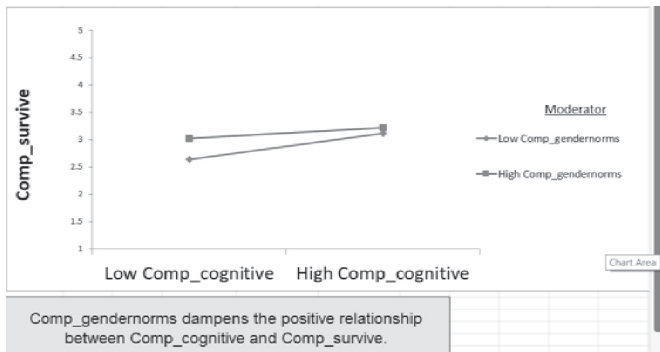
*Interaction effects of Gender-based norms between regulatory support (RS) and entrepreneurial survivability (ES).*



The low gender norms line is much steeper than the high gender norms line. This means a low level of gender-based norms has a much stronger impact on regulatory support and entrepreneurial survivability. As the level of gender-based norms increased, the strength of the relationship between regulatory support and entrepreneurial survivability decreased.

### Figure 5

Interaction effects of Gender-based norms between Cognitive support (CS) and entrepreneurial survivability (ES)



In the above figure, the low gender norms line is much steeper than the high gender norms line. As the level of gender-based norms increased, the effect of cognitive support on entrepreneurial survivability weakened.

### Discussion and Implications

Results showed that higher perceived gender-based norms made weaker cognitive and regulative support to women's entrepreneurial survivability in the context of Nepal. Cultural legitimacy is required to accept the entrepreneurial careers for women. If societies do not assume entrepreneurial careers as viable for women, the sustainability of businesses may be difficult. ILO (2023) similarly concluded that culturally implicit values and informal norms may serve as obstacles to starting and operating businesses for marginalized groups, such as women. Furthermore, women who perceived themselves as having male gender identification or similar to males had higher entrepreneurial intention and persistence (Gupta et al., 2009). The evidence supports that entrepreneurship is a gender-based profession (Gupta et al., 2009) heavily influenced by gender-based stereotyping roles and norms. Gupta et.al (2009) describe that entrepreneurial activities are influenced by socially constructed gender roles rather than biological sex. Because of a significant relationship between gender and entrepreneurship, government and other supportive institutions should consider gender-based norms, roles, values and feminine characteristics while providing policy and cognitive supportive programs/schemes. Support is required by explicitly understanding target groups with the sensitivity of structural barriers (International Labour Organization, 2023) since masculine construction of entrepreneurship serves as the roadblock to women's entrepreneurship (Gupta et al., 2009). If entrepreneurial success stories are associated with positive reputations and high-ranking careers, particularly for women, it may culturally support and encourage acceptance of businesswomen.

Gender-based social norms weaken the institutional support to survive women's entrepreneurship. The results suggest that the government needs to develop a new strategy that includes support related to social norms, in addition to regulatory and cognitive support. This strategy should address socially constructed barriers to help women entrepreneurs survive and promote gender equality in the field of entrepreneurship. Supportive programs that ignore socially constructed norms and problems cannot work as expected. Women entrepreneurs also should be aware of the socially constructed gender-based barriers in their entrepreneurial journey.

## Conclusion and Limitations

Socially constructed gender norms have weakened institutional support to sustain women entrepreneurship. The effect on the survivability of women entrepreneurship from the gender norms is higher in policy support than in cognitive support. The study shows that institutional support, when gender-based values are overlooked, is less effective than support provided with consideration of social norms. Women entrepreneurs face many challenges and have numerous opportunities for survivability based on the nature of the business, business territory, stage of the entrepreneurial journey, and other factors. One size cannot fit all. Therefore, research on women entrepreneurship needs to be studied through various theoretical lenses and perspectives, based on the identified problems.

This paper does not study the behavior of individual entrepreneurs. This study can be further improved by considering their actions, which are major components of the survivability of the business.

**Disclosure:** The author of this article has no conflict of interest to declare.

**Acknowledgment:** The author acknowledges the respondents and anonymous reviewers for their valuable suggestions.

**Funding:** The author has received no funding for this study.

## References

- Aarthik Abhiyan. (2021, February 11). कोरोना महामारीपछि ७५% लघु तथा धरेलु उद्योग बन्द.  
Aarthik Abhiyan.
- Achary, U., & Pandey, C. (2018). Women's Entrepreneurial Ecosystem in Nepal: A Study Based on Kathmandu Valley. *Westcliff International Journal of Applied Research, WIJAR*, 2(2).  
<https://doi.org/10.47670/wuwijar201822CPUA>
- Bjerde, A., & Gill, I. (2024). It's time to mobilize the economic power of women. *World Bank Blogs*. <https://blogs.worldbank.org/en/voices/its-time-mobilize-economic-power-women>
- Central Bureau of Statistics. (2012). *Nepal Population and Housing Census 2011*.



- Collier, J. E. (2020). *Applied Structural Equation Modeling Using AMOS; Basic to Advanced Techniques*. Routledge, Taylor, and Francis Group.
- Delmestri, G. (2008). Institutional Theory. In *International Encyclopedia of Organization Studies*, Vol. 2, pp. 683–688.
- Dikler, J. (2021). *COVID-19 and the Exacerbation of Gender Inequality: How the Pandemic Disproportionately Affected Women around the World*. 11(45), 33–40.
- Ertz, M., Karakas, F., & Sarigöllü, E. (2016). Exploring pro-environmental behaviors of consumers: An analysis of contextual factors, attitude, and behaviors. *Journal of Business Research*, 69(10), 3971–3980. <https://doi.org/10.1016/j.jbusres.2016.06.010>
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- FWEAN. (2019). *Advocacy for the promotion of women's entrepreneurship in Nepal*. FWEAN, USAID.
- Gaskin, J. (2016). *Stats Tool Package*. [https://statwiki.gaskination.com/index.php?title=Main\\_Page](https://statwiki.gaskination.com/index.php?title=Main_Page)
- Georgieva, K. (2022). Foreword. In V. Cerra, B. Eichengreen, A. E. Ganainy, & M. Schindler (Eds.), *How to Achieve Inclusive Growth* (pp. v–vi). International Monetary Fund (IMF).
- Gupta, V. K., Turban, D. B., Wasti, A. S., & Sikdar, A. (2009). The Role of Gender Stereotypes in Perceptions of Entrepreneurs and Intentions to Become an Entrepreneur. *Entrepreneurship Theory and Practice*, 397–417.
- Himalayan Climate Initiative, T. A. F. (2021). *Covid-19 and The New Normal for Women in the Economy in Nepal* (pp. 1–33). South Asia Economic Forum.
- Hu, L., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1–55. <https://doi.org/10.1080/10705519909540118>
- International Labour Organization. (2023). *Building Inclusive Entrepreneurship Ecosystems in Nepal: An Analysis of Kathmandu and Pokhara* (pp. 1–60). International Labour Organization (ILO). [www.ifro.org](http://www.ifro.org)
- Kazumi, T., & Kawai, N. (2017). Institutional support and women's entrepreneurial self-efficacy. *Asia Pacific Journal of Innovation and Entrepreneurship*, 11(3), 345–365. <https://doi.org/10.1108/apjie-12-2017-041>
- Lam, L. W. (2012). Impact of competitiveness on salespeople's commitment and performance. *Journal of Business Research*, 65(9), 1328–1334. <https://doi.org/10.1016/j.jbusres.2011.10.026>
- McDougall, C., Fischer, G., Badstue, L., Mulema, A., Najjar, D., Pyburn, R., Elias, M., Joshi, D., & Vos, A. (2021). Towards Structural Change: Gender Transformative Approaches. In R. Pyburn & A. van Eerdewijk (Eds.), *Advancing gender equality through agricultural and environmental research: Past, present, and future* (pp. 365–402). <https://doi.org/10.2499/9780896293915>

- National Statistics Office. (2023). *Nepal Population and Housing Census 2021* (p. 2). [www.cbs.gov.np](http://www.cbs.gov.np), [www.censusnepal.cbs.gov.np](http://www.censusnepal.cbs.gov.np)
- Nepal Rastra Bank. (2019, November 15). *Unified Working Procedure of Interest Grants on Concessional Loans 2075 (Third Amendment)*. Nepal Rastra Bank.
- Nepal Rastra Bank. (2020). *Unified Direction, 2077* (p. 476). Nepal Rastra Bank. [www.nrb.org.np](http://www.nrb.org.np)
- Nepal Rastra Bank. (2021). *Monetary Policy 2021-2022*.
- Nepal Rastra Bank. (2022). *Baseline Survey on Financial Literacy in Nepal (including Financial Inclusion Indicators)*. Nepal Rastra Bank.
- Practical Action. (2022, March 22). Gender Transformative Change. *Gender Transformative Change*. <https://practicalaction.org/gender-transformative-change>
- Rajvanshi, Dr. A. (2017). Women Entrepreneurs In India: Challenges And Opportunities. *IOSR Journal of Humanities and Social Science*, 22(04), 01–09. <https://doi.org/10.9790/0837-2204050109>
- Scott, R. W. (2005). Institutional Theory. In G. Ritzer, J. Stepnisky, & T. Stillman (Eds.), *Encyclopedia of Social Theory* (Vol. 1, pp. 408–414). Sage Publications, India Pvt.Ltd.
- Tausl, P. P., Krechovska, M., & Lukas, L. (2015). Effectiveness of entrepreneurship policies: Some evaluation research perspectives. In *Amfiteatru Economic* (Vol. 17, Issue 39, pp. 706–722).
- The Asia Foundation. (2019). *Aid and Recovery in Post-Earthquake Nepal*.
- The Constitution of Nepal 2015 Second Amendment 2020) (2015). [www.lawcommission.gov.np](http://www.lawcommission.gov.np)
- The Industrial Enterprises Act 2020, Act No. 19 of the year 2076 (2020). [www.lawcommission.np](http://www.lawcommission.np)
- The World Bank Group. (2024). *WOMEN, BUSINESS AND THE LAW 2024*. [www.worldbank.org](http://www.worldbank.org)
- Upadhyay, A., & Karki, S. (2021). *Covid, Women, and Debt in Nepal*. <https://asiafoundation.org/2021/09/01/covid-women-and-debt-in-nepal>
- Verheul, I., Stel, A. V., & Thurik, R. (2006). Explaining female and male entrepreneurship at the country level. *Entrepreneurship and Regional Development*, 18(2), 151–183. <https://doi.org/10.1080/08985620500532053>
- Xinhua. (2021, July 19). *Feature: Nepali businesswomen benefit from government credit scheme—Xinhua | English.news.cn*. Asia & Pacific. [http://www.xinhuanet.com/english/asiapacific/2021-07/19/c\\_1310070254.htm](http://www.xinhuanet.com/english/asiapacific/2021-07/19/c_1310070254.htm)
- Zucker, L. G. (1987). INSTITUTIONAL THEORIES OF ORGANIZATION. In *Ann. Rev. Sociol* (Vol. 13, pp. 443–464). [www.annualreviews.org](http://www.annualreviews.org)