

## Mediating Role of Self-efficacy to Sustain Women Entrepreneurship in Nepal

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### Abstract

*Self-efficacy in terms of entrepreneurship is the perceived ability of entrepreneurs to overcome the special situations faced during the business operation. This study has been carried out to examine the mediating role of self-efficacy between policy support and sustainable women entrepreneurship in Nepal. Women having at least three years of business experience were selected from four provinces that are convenient to the researcher. A total of 353 survey questionnaires were collected from the sample. Casual relational research design was used to find the effect of policy support and self-efficacy on the survivability of women's businesses. Structural equation modeling with AMOS was used to analyze the five-point Likert scale structured questionnaire. The result found that policy support has a significant indirect effect on entrepreneurial survivability through the mediating effect of self-efficacy. In the presence of the mediating variable, policy support has a non-significant direct relationship to survivability. This means the influence of policy support on survivability is fully mediated through the mediation of self-efficacy. This study suggests the policy makers to emphasize self-efficacy while making intervention plan regarding the promotion of women entrepreneurship and their business sustainability in Nepal.*

**Keywords:** self-efficacy, women entrepreneurship, sustain women entrepreneurship, sustainability, policy support


### Introduction

The COVID-19 pandemic and global crisis hit globally. Particularly disproportionately affected are developing economies like Nepal's. Because of strict lockdown protocols, and fear of the spread of the virus, the economy had halted for more than 150 days (South Asia Economic Forum, 2021). The crisis hit hard particularly to small and medium-sized enterprises (SMEs), women, marginalized communities, and minority groups. Regular adverse economic situations and the situations like pandemic are the key concerns of startups and SMEs. According to Hernandez et al. (2020), on average 70 percent of firms failed to survive in the first five years in Columbia. More than 48

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percent of SMEs were not considered healthy due to the impact of COVID-19 in Nepal (Himalayan Climate Initiative, 2021).

Government has the opportunity to boost the economy through the right support for small and medium-sized enterprises (SMEs). Some of the major determining factors of a firm's survival are legal framework, startup capital, market competition, supportive programs, business experience, gender of the entrepreneur (Belda & Cabrer-Borrás, 2018). Depending on the country 50 to 90 percent world's population is engaged in SMEs worldwide (Albaz et al., 2020). SMEs contribute about 22 percent of the Gross Domestic Product (GDP), have created 1.7 million job opportunities, and cover 80-90 percent share of employment in Nepal (NRB, 2020).

Women entrepreneurship and women empowerment are complementary and interrelated to each other. Entrepreneurship creates two types of employment. One is self-employment for ambitious entrepreneurs and creating job opportunities for others. Entrepreneurship closely supports economic growth. So, this study will support the process of the Sustainable Development Goals (SDGs) goal 8- decent work and economic growth as well as goal 5 gender equality.

Due to the nature of business, gender social norms, a strong patriarchal system, and increased household responsibilities women are more likely to give up on their business than male. Female entrepreneurs are threatened by higher competition and slower growth rates because women engage in a more service nature of business than male entrepreneurs. The complex and uncertain business environment due to COVID-19, the economic crisis, and a fragile economy threaten small and medium-sized women-led enterprises than men-led businesses. Moreover, Inseparable household workload and socio-cultural norms hit hard to female roles in the business sector. Further, inconveniences associated with the process, a lack of information, inadequate institutional capacity (Kharel & Dahal, 2020; Nepal Rastra Bank, 2019), an inadequately trained workforce, collateral requirements for loans, and high interest rates in accessing credit are hurdles to making a friendly environment for businesswomen. To achieve the concessional loan, they need collateral and only one-third of Nepalese females have owned property (Ministry of Finance, Government of Nepal, 2023). It reveals the higher constraints to access finance for women entrepreneurs. Further, Poor dissemination of information about incentives and facilities, difficult procedures to access concessional loans, subsidies, and grants, inadequate provisions for market arrangements, and weak capacity of public administration are institutional barriers to businesswomen. Despite the increasing number of women in business and entrepreneurship in Nepal, there are still several challenges that women entrepreneurs face.

Entrepreneurship is defined from an economic and managerial viewpoint. To achieve entrepreneurship, individuals need capital, supportive policy, innovation, resource allocation, and decision-making abilities from the economic perspective, and from the management perspective entrepreneurship is managing resources, time, and action plans to grab and fit in opportunities (Audretsch et al., 2007). It is a risk-taking process. Entrepreneurs invest in ideas and resources and take the risk of creating business units to earn profit by offering economic value. For this study, women entrepreneurs are those women business owners who have ownership, manage, and operate small and medium-sized businesses.

The major research questions of this study are: a) What is the relationship between policy support and the survivability of women's entrepreneurship in Nepal? And b) How does entrepreneurial self-efficacy (ESE) mediate the association between policy support and survivability of women's entrepreneurship?

### ***Policy Support to Women Entrepreneurs in Nepal***

The Government of Nepal has launched several initiatives aimed at supporting and empowering women entrepreneurs, such as the Women Entrepreneurial Development Program, Skills Development Training, Women's Entrepreneurial Fund, concessional loans, and networking and mentorship opportunities. In the fiscal year 2022/2023 out of Rs. 208.96 billion concessional loan 30.7 percent was disbursed to women entrepreneurs. Similarly, until mid-March of FY 2022/2023, Rs. 8.05 million in loans were extended for business continuity for those sectors affected by COVID-19 but that was not separated based on gender (Ministry of Finance, Government of Nepal, 2023). Out of the total firms in Nepal, only 29 percent are fully or partially owned by females (Central Bureau of Statistics, 2020) and out of the total firms, 22.3 percent are small-sized firms (Kharel & Dahal, 2020). Around 111,442 SMEs operated in Nepal and only 12.8 percent are fully or partially owned by women entrepreneurs (South Asia Economic Forum, 2021). Most of the firms owned and operated by females are small-sized firms. Data shows the lower involvement of women in entrepreneurship.

Entrepreneurship is not only an economic instrument but also a social force to transform society by generating values for citizens and opening avenues to better lives.

Entrepreneurial agents are required for economic and social development (Belda & Cabrer-Borrás, 2018). Schiller and Crewson (1997) explain that entrepreneurs have a critical role in shifting the economy and developing opportunities for jobs, output, product innovation, and productivity. Entrepreneurs are heroes of the Industrial Revolution. The establishment of ventures is surprisingly higher than ever before, however, the rate of success and sustainability is shallow. The success rate of self-

employed businesses is different based on gender (Schiller & Crewson, 1997). Survival is the first and foremost primary requirement for every business venture. The field of women entrepreneurs and their survivability in business is understudied, especially in developing nations like Nepal. As a result, women entrepreneurs in Nepal are a minority group among self-employed.

Schiller and Crewson (1997) described that to enter and sustain in entrepreneurial activities both socioeconomic and psychological factors are equally significant. One of the psychological factors is entrepreneurial self-efficacy (ESE). Self-efficacy is a strong and passionate belief in my capacity related to what I can do and what is required to bear the risk associated with doing ambitious jobs and survive on those jobs. To bear the risk with a strong desire for economic independence and in the risk-taking process, an individual needs a level of confidence and support. To start something like a risk-taking venture then go ahead continuously with a strong, consistent, and deterministic mindset of “I must do”, and “I can do” requires a supportive backbone such as policy support and self-trusted belief. Whatever the situation may occur, a strong mindset with the confidence of ‘I can do’ is known as self-efficacy. Self-efficacy is the individual’s belief in their abilities to achieve the expected performance that influences their lives (Bandura, 1994). It is one’s belief and self-perception that I can do and can get the results. Self-efficacy makes strong self-evaluation of an individual’s subjective trust or confidence in his/her ability to conduct a job, and to take entrepreneurship with a certain level of result. Entrepreneurial intentions are required to progress women’s participation in entrepreneurial activities (Chen et al., 1998) and that intention and consequent activities can develop from an entrepreneurial self-efficacy and supportive policy. Entrepreneurial self-efficacy (ESE) is one of the major attributes to create and survive in business.

The policy should have provisions that should address women entrepreneur's challenges and support their various requirements. Five key major areas related to policy support are recommended by Hostak (2021). The importance of women's entrepreneurship and awareness campaigns and sharing the stories of role models through legislative activities is required to increase women's entrepreneurship in the country. Lifelong entrepreneurial learning develops the entrepreneurial competencies, and entrepreneurial mindset to adopt entrepreneurship as a career (Hostak, 2021). Hostak suggests establishing learning and training centers for life-long learning and training with a gender-sensitive approach based on different age groups. To start up, sustain, and grow women's entrepreneurship setting up funding platforms to offer finance, technical support, and networking forums is another key recommendation prepared by Hostak. Those platforms can provide financial literacy, investment, and financial management education. Finally, establish a strong networking umbrella organization of women entrepreneurship grassroots

organizations to provide guidance, training, policy-level advocacy, and other supports (Hostak, 2021). This guidance can address both the socioeconomic and psychological problems of women entrepreneurs.

### ***Gender Differences in Entrepreneurial Self-Efficacy (ESF) Belief***

Gender-based socialization and social norms such as nurturing, and future orientation reinforce gender stereotypical roles and consequently gender-based expectations. Cultural norms encourage males to take entrepreneurship than females. Gender gap in terms of risk-taking and innovativeness is higher. These are both necessary attributes of entrepreneurship. Similarly, managerial behaviors, confidence in financial decisions, risk-taking behavior, and goal preferences are differences based on gender. In contrast, females who play the family role model have a higher to engage in self-employment than males (Schiller & Crewson, 1997). Schiller and Crewson suggested from their longitudinal study a high level of self-assurance is required for women to take the entrepreneurial dive which is five times more than men. Conventionally, married women have a higher probability of being self-employed than married men, especially since self-employment and marriage are positively correlated with entrepreneurial success and divorced females have a negative influence on entrepreneurship because of childcare and related responsibilities. So, they focused on self-assurance and playing as role models to develop women's entrepreneurship than men. Further evidence is, that the need for entrepreneurial training is more likely by females than males (Jones & Tullous, 2002). In a similar vein, Schaefer et al. (2015) emphasized the associated social beliefs and value systems to (un)sustain the business. The value system is the primary requirement and the identification and transformation of value systems is the root direction to sustaining business (Schaefer et al., 2015). Gender-based social norms and values make a difference on how long will go the women's entrepreneurship.

### ***Theoretical Underpinnings***

This study is based on Bandura's self-efficacy theory and social cognitive theory to determine the impact of self-efficacy on the survivability of women's businesses. People with self-efficacy and belief in their capabilities to accomplish results are hard workers, and more persistent in difficulties than those who doubt their capabilities (Bandura, 1977). Gallagher (2012) stated that self-efficacy is the belief that an individual can execute the actions necessary to achieve a valued goal. Self-efficacy is the people's perception regarding their capacity to invest in action required to achieve desired goals and the self-judgment of how much he/she can do (Gallagher, 2012). It is not the intention but is the feeling of extremely valuable the goal or action.

Strong self-efficacy is valued to pursue a desired future. Bandura (1997) explained that self-efficacy theory guides building up and enhancing the beliefs to trust on own capabilities and itself is guided by social cognitive theory. That belief is related to organizing, executing, and necessary management about whatever will be in potential situations. Efficacy beliefs are varied but they significantly contribute to motivation and achievement. According to Bandura (1995), efficacy beliefs developed and strengthened from four sources: 1. Mastery experiences; 2. vicarious experience (role modeling); 3. Subjective norm (social persuasion); and 4. Physiological states. According to Gallagher (2012), there are five mechanisms to develop self-efficacy. Self-efficacy facilitates achieving valued goals, and people with self-efficacy have confidence in their ability to face obstacles. So, individuals with higher levels of self-efficacy are more likely to achieve goals than those who have low belief in what they can do. Gallagher stated that “I think, I can, I think, I can” is the mantra to persist in motivation despite all blockades. Many studies support that self-efficacy influences the survivability and success of business (Arifin et al., 2023).

This study proposed the experiential sources of self-efficacy of women entrepreneurs to survive their entrepreneurship. Bandura focused on the experiential sources of expected self-efficacy which has greater power to change self-efficacy. So, personal experience is more dependable than the other three sources. What do businesswomen experience in their entrepreneurial life about their business career and survival? Bandura (1977) described that an outcome is the result of one's efficacy expectation and efficacy expectation is the self-persuasion of the successful application of behavior necessary to produce results. The study performed the psychological procedure as a method of treatment and their successful behavioral change to yield the expected result. In this situation, Bandura added a critical point if there is space for self-doubt it will hinder expected outcomes. It means those who have a mindset to succeed or survive in their business, will succeed to produce their expected result via to survive in their business. Individual, who believe in their capacity and choose to do that action has the persistence to face challenges and stress and engage in self-encourage, self-shaped the patterns of the situation (Arshed, 2021). One of the assumptions of this study is entrepreneurial self-efficacy plays an important role in developing entrepreneurial skills, abilities, attitudes, and risk-taking capacity, and enhancing the survivability of entrepreneurship.

### ***Hypothesis Development***

**Policy Support and Entrepreneurial Survivability.** Government support can underpin the survivability and failure of business. Supportive programs, loan availability, market mechanisms, technological resources, educational level, and socioeconomic factors are

determinants of the firm's survival. Firms with government support such as local policies, and available banking loans have a higher chance of surviving (He & Yang, 2016). He and Yang explained that firms less likely to get banking loans have not only higher chance of failure but also being less productive.

In the late 1990s, the government of the UK broadens the scope of equal opportunity in the enterprise policy to encourage and access equal self-employment among excluded groups (Mallett & Wapshott, 2020). Mallett and Wapshott (2020) explained that in 1997, when the number of SMEs declined substantially, the role of government support was highlighted to protect entrepreneurs and their success.

Particular challenges facing SMEs are lack of access to information and finance, cost of research and development, lack of experience and skills, lack of resources for regulatory compliance, lack of opportunities to influence policy provision (Mallett & Wapshott, 2020), lack of coherence in policy and practices, lack of training, negotiation, warehouses, transportation, incubation centers, and other bureaucratic administration are some of the obstacles experienced by entrepreneurs. The question is does policy support respond to these challenges and support for further initiatives? The perception of women entrepreneurs about policy support and the perceptual effect of policy support on entrepreneurial survivability has developed as a hypothesis from the above evidence and problems, particularly in the Nepalese women context. Accordingly, the following hypothesis has been developed for the study:

H1. Policy support has a significant and positive effect on entrepreneurial survivability of women.

**Mediating Role of Self-efficacy.** In the male-dominated business world, women entrepreneurs have gained momentum in the last two decades and the number of women entrepreneurs has significantly increased. Various empirical studies proved that there is a positive relationship between self-efficacy and entrepreneurial intention and actions (Chen et al., 1998; Hsu et al., 2018; Neneh, 2020) in several contexts. A high level of self-efficacy and commitment toward entrepreneurship has a higher effect than social and domestic multiple roles (Hundera et al., 2019). However, Bandura (1994) concluded that women have less trust in their abilities, and self-confidence than men. So, women are more likely to limit their career choices in comparison to men. In a similar voice, Chen et al. (1998) explain women think they lack the necessary skills to do entrepreneurial undertakings. However, in the context of Nepal, no study has been found yet on how entrepreneurial self-efficacy mediates the effects on women's entrepreneurial survivability and policy support. To address this gap the hypothesis has been developed

as the mediating role of entrepreneurial self-efficacy on policy support and business survivability. Based on the literature, the proposed hypothesis is:

H2. Entrepreneurial self-efficacy (ESE) mediates a positive and significant role between policy support and business survivability

### **Methods**

Women entrepreneurs from conveniently selected four provinces in Nepal are the targeted population of this study. Those four provinces are Koshi, Bagmati, Gandaki, and Far-Western Province. In total, 384 structured questionnaires were distributed to women entrepreneurs, who have at least 3 years of self-employed experience in their business and were chosen purposively. However, only 353 completed questionnaires were returned. A quantitative research approach was adopted to analyze numerical data. The assumptions of purposively selecting women entrepreneurs having at least 3 years of business experience are they may know about the policy support provided by the government and the importance of policy support and entrepreneurial self-efficacy in sustaining their business ventures. There is a strong relationship between previous experience and the survival of a firm. There is a positive relationship between a firm's age and the survivability of the firm (He & Yang, 2016). One of the major determining factors for a firm's survival is a business experience (Belda & Cabrer-Borrás, 2018; Hernandez et al., 2020).

Some of the questionnaires were self-administered and some were filled up by respondents themselves based on the consent of respondents. Before distributing the questionnaire the consent to fill form including time had taken after briefing the purpose of the research and commitment not to use other than academic purposes.

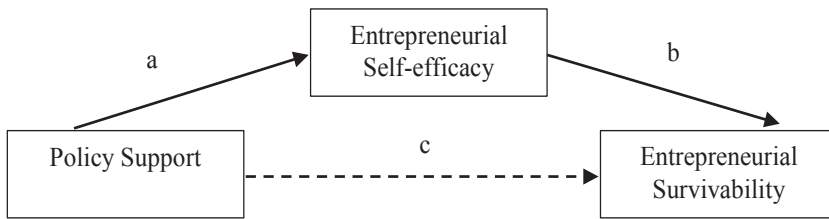
Casual relational research design is applied to find the impact of policy support and its related factors on the sustainability of women's entrepreneurship. Structural equation modeling with AMOS-22 was used to identify and analyze the association between policy support, survivability of women entrepreneurs, and the mediating role of entrepreneurial self-efficacy.

First, the five-point Likert scale questionnaire was developed with three latent variables and their triggering constructs. The structure of the questionnaire consists of background questions, self-efficacy-related questions, policy supports, and business survivability questions to find out entrepreneurial women's perceptions. Run the factor analysis with the help of SPSS-26 with AMOS-22 and test the measurement and structural model. Data was analyzed in three steps:



- Step 1: Preliminary analysis of the scale by Exploratory Factor Analysis (EFA) using Maximum Likelihood (ML) estimation because data were considerably normal.
- Step 2: Built a rotated matrix for the validation of factor structure and the output of EFA sent to AMOS for Confirmatory Factor Analysis (CFA) and run CFA in the measurement model.
- Step 3: Prepared structural model using AMOS to test the hypothesis of mediating effect.

**Figure 1**  
*Conceptual Framework*



**Results**

Demographic information:

Demographic information includes respondent’s range of age, marital status, educational qualifications, regions of business operations, and years of business operations.

**Table 1**  
*Demographic Information of the Respondents*

Baseline Characteristics	N	Percent	Baseline Characteristics	N	Percent
Age			Educational Qualification		
16-20	8	2.3	No formal Education	42	11.9
20-29	75	21.2	Primary Education	89	25.2
30-39	172	48.7	Secondary and Higher Secondary Education	135	38.2
40-49	84	23.8	Higher Education	87	24.6
50-59	13	3.7	Region		
Above 60	1	0.3	Koshi Pradesh	65	18.4
Marital Status			Bagmati Pradesh	112	31.7
Unmarried	29	8.2	Gandaki Pradesh	124	35.1
Married	312	88.4	Far- Western Pradesh	52	14.7
Single/divorced/ widowed	12	3.4	Years of Business Operation		
			3 -5 Years	201	56.9
			More than 5 Years	152	43.1

*Note.* N = 353

Nearly fifty percent of respondents were between the 30 to 39 age group followed by the 40 to 49 age group is 24 percent. Nearly, ninety percent of respondents were married and less than ten percent were unmarried. 38 percent of respondents achieved secondary and higher secondary education; it is followed by having primary education 25 percent. More than one-third (35 percent) of respondents were from Gandaki Province and it is followed by Bagmati Province 32 percent. Nearly three-fifths (57 percent) of respondents had three to five years of business experience and 43 percent had more than five years of business experience.

The Cronbach’s Alpha ( $\alpha$ ) of policy support and entrepreneurial self-efficacy (ESE) are 0.836 and 0.869 respectively. Cronbach’s alpha is greater than 0.7 shows internal consistency within a construct (Collier, 2020). The Cronbach’s alpha of entrepreneurial survivability (ES) is found 0.563 and is satisfactory (Taber, 2018).

**Model Identification**

**Exploratory Factor Analysis.** Exploratory Factor Analysis investigates the patterns of indicators under constructs and loading on their appropriate factors (Collier, 2020). EFA was applied to ensure appropriate constructs and their supporting indicators in this study. EFA using the maximum likelihood method with varimax rotation was used for analyzing the factor structure and correlation between items included in the scale. The results of the factor matrix are provided in the following tables.

**Table 3**

*KMO and Bartlett’s Test*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.808
	Approx. Chi-Square	2278.972
Bartlett's Test of Sphericity	df	171
	Sig.	0.000

The KMO value is greater than 0.50 and is 0.808. It indicates that the criteria of sampling adequacy are met. Bartlett’s test of Sphericity is statistically significant ( $P < .05$ ). It means the correlation matrix is statistically different from the desired matrix.

The results of the EFA show that the solution is based on 5 factors and the expectation was three factors. So, the factors divided were assigned under the factors where they are loaded and combined into three factors. All items are loading in their factors and have no cross-loadings except one factor. The five-factor solution explains the 49.51 percent variance of the total variance. The EFA analysis shows a good level of validity. There

were 18 indicators in policy support, 13 indicators under entrepreneurial self-efficacy, and 8 indicators in survivability. After EFA, 6 indicators on policy support, 9 indicators in ESE, and 4 indicators remained and transferred for Confirmatory Factor Analysis (CFA).

**Confirmatory Factor Analysis (CFA).** After confirming latent constructs and their respective indicators, CFA was performed to analyze how well indicators measure the unobserved constructs (Collier, 2020). The AMOS-22 is used to perform Confirmatory Factor Analysis (CFA) and assess the reliability, convergent validity, and discriminant validity. The following graphical representation of the CFA model is:

**Figure 1**  
Graphical representation of the CFA model

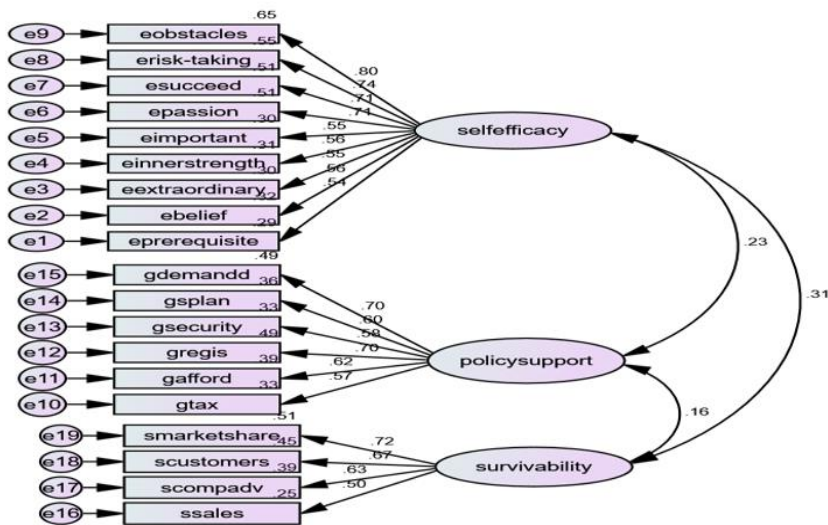


Figure 1 is the Standardized Estimates. All items' standardized factor loading is  $\geq 0.50$ . The proportion of explained variances ranges from 25 percent to 64 percent across constructs and contributes to understanding unobserved constructs.

The result of CFA shows that the model had good fit statistics including Root Mean Square Error of Approximation (RMSEA) = 0.078 and it is adequate fit, if  $< 0.08$ ; Comparative Fit Index (CFI) indicating that 85 percent of the covariation in the data. It is close to 1 (CFI=0.850) and the model adequately predicted the observed covariance matrix. Tucker Lewis Index (TLI) = 0.828, Incremental Fit Index (IFI) = 0.852, Normed Fit Index (NFI) = 0.797, and Relative Fit Index (RFI) = 0.767 are close to 90 and 80 percent respectively and the model fit is acceptable (Collier, 2020).

**Table 5**  
*Reliability and Convergent Validity*

Variables/Constructs	Cronbach's Alpha	Composite Reliability	Average variance extracted	Maximum Shared Variance
Self-efficacy	0.869	0.862	0.415	0.095
Policy support	0.836	0.797	0.397	0.052
Survivability	0.563	0.725	0.402	0.095

Model Fitness:  $\chi^2 = 471.995$ ,  $df = 149$ ,  $\chi^2/df = 3.168$ ,  $RMSEA = 0.078$ ,  $RMR = .051$ ,  $GFI = .878$ ,  $CFI = .850$

*Note.* Calculated using Gaskination’s Stat Tools (Gaskin, 2016).

Average Variance Extracted (AVE) values range from 0.397 to 0.415. AVE may be a more conservative estimate of the validity of the measurement model and may conclude that the convergent validity is based on composite reliability alone (Fornell & Larcker, 1981; Lam, 2012). Composite Reliability (CR) ranges from 0.725 to 0.862 which meets the acceptable level of 0.60 suggested by Fornell and Larcker. Another evidence of convergent validity is that Maximum Shared Variance (MSV) is less than the respective AVE for all variables. Cronbach’s Alpha is reliable and satisfactory. So, it shows that variables had good reliability.

**Discriminant Validity.** The shared variance between self-efficacy and policy support is 0.0353, which is lower than the AVE for self-efficacy (0.415) and policy support (0.397). Similarly, the shared variance between self-efficacy and survival is 0.0467, which is lower than the AVE for self-efficacy and survivability (0.402). Finally, the shared variance between policy support and survivability is also lower than the AVE of both constructs. All AVE values exceed the shared variance between constructs, so the model supports the constructs with discriminant validity (Collier, 2020).

**Table 6**  
*Shared Variance of Constructs*

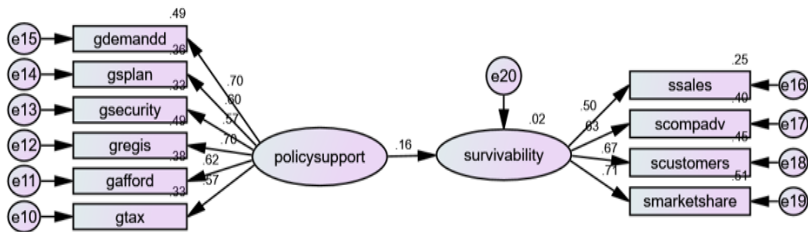
Constructs	Selfefficacy	Policysupport
Self-efficacy		
Policy Support	0.0353	
Survivability	0.0467	0.0149

**Structural Model.** Mediation tested with the process guidance by Collier (2020). Firstly, test the influence of the independent variable on the dependent variable without the

presence of a mediating factor. Then direct and indirect effects were tested with the presence of mediation.

**Figure 2**

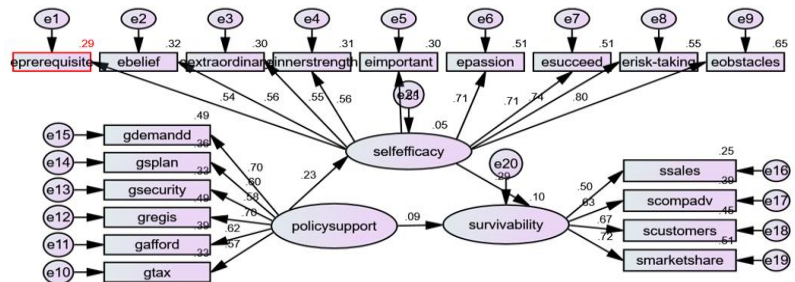
*Test of the effect of Policy Support on Entrepreneurial Survivability*



The result shows the effect of policy support on entrepreneurial survivability. The critical ratio (C.R) is 2.161 which is higher than 1.96 and the p-value is 0.031 ( $p < 0.05$ ) is significant. This means that policy support affects entrepreneurial survivability. Increase in one unit in policy support then one unit goes up in the perception of entrepreneurial survivability, since the estimate is 0.100.

**Figure 3**

*Mediation test of Policy Support Through Entrepreneurial Self-efficacy to Entrepreneurial Survivability*



**Direct and Indirect Effects of Mediation.** The lower bound of the indirect effect is 0.01 and the upper bound of the indirect effect is 0.104. There is no presence of zero in between the lower bound and upper bound. This means this indirect effect is significant. Further from the two-tailed significance table, the p-value is 0.012 ( $p < 0.05$ ) which is significant. The mediating effect is significant. It means ESE explains how the policy

support affects entrepreneurial survivability in the case of those who have efficacy. Here, increasing the policy support is likely to increase the SES which in turn will increase the likelihood of entrepreneurial sustainability.

**Table 7**

*Test for Mediation Using a Bootstrap Analysis With a 95% Confidence Interval*

Relationship	Direct effect without mediator	Bootstrapping (95% Confidence Interval)				Conclusion
		Direct effect with mediator	Indirect effect	Confidence interval		
				Low	High	
Policy support --> Entrepreneurial survivability	0.138 (p=0.028)*					
Policy support-> Self-efficacy-> Entrepreneurial survivability		0.057 (P=0.208)	0.042 (P= 0.012)*	0.01	0.104	Full mediation
Level of significant	Significant	not-significant	Significant			

Note: Unstandardized coefficients reported. Bootstrap Sample 5,000 with replacement. The values in the parenthesis are p-values.

According to the guidance of Collier (2020) the direct effect of policy support in the presence of self-efficacy (mediator) is a non-significant relationship since the p-value is .208 ( $p > 0.05$ ). This means that the influence of policy support on entrepreneurial survivability is fully mediated through the construct of entrepreneurial self-efficacy.

**Discussion and Implications**

Result 1: The study showed that policy support has a positive and significant effect on ES. In a similar meaning, the OECD (2021) identified that policy-appropriate interventions for the institutional, social, and cultural contexts ranging from the level of economies are effective and required for women entrepreneurs. The availability of local supportive policies, government government-supportive programs has a positive relationship with the firm’s survivability and success (He & Yang, 2016). This result helps to design programs and policy frameworks to support administrative procedures, financial access, socio-cultural norms, and values-related support, and promote gender-based equalities. It sheds light on government, policymakers, and supportive institutions to assist to women entrepreneurs engaging in such kinds of activities.

Result 2: Self-efficacy has full mediation in the association of policy support and women’s entrepreneurial survivability in Nepal. The finding is consistent with Bandura’s self-efficacy theory. ESE is positively associated with survival and firms’ performance. A study in the context of Malaysia has a similar result which has a significant relationship between entrepreneurial self-efficacy and business success (Arifin et al.,

2023). The meta-analysis of 26 studies also found that self-efficacy has a positive relationship with a firm's performance (Miao et al., 2017). If supporting policies and programs focused on developing women's entrepreneurial self-efficacy including policy support, they can be highly influential to survive women's entrepreneurship in Nepal. Mediation analysis and indirect effect also help to focus on running the program, training, counseling, and learning activities, encouraging voice, to boosting up entrepreneurial confidence of businesswomen togetherness with the policy intervention.

### ***Conclusion and Limitations***

The study result and literature reveal that policy support can help sustain women entrepreneurs not only in the Nepalese context but also in many contexts in the world. Entrepreneurial self-efficacy drives sustaining business and better performance in Nepalese women's entrepreneurs. Both policy interventions including programs to boost entrepreneurial self-efficacy have a greater and more effective influence than the only type of assistance for the longer operation of women's business and sustain economy.

The study did not cover the viewpoints of policymakers, gender activists, bankers, and bureaucrats involved in business registration, renewals, administrative procedures, and financial procedures. They may have different views than entrepreneurial females. This study does not include the views of male entrepreneurs which may reveal different results.

A previous study revealed that there is a positive association between business experience and entrepreneurial self-efficacy (Bandura, 1977). Similarly, the age of business or business experience and survivability also have a significant and same directional relationship (Belda & Cabrer, 2018; Hernandez et al., 2020). To increase entrepreneurial self-efficacy, further studies test the business experience and self-efficacy may encourage businesswomen to persist in a difficult situation for their long entrepreneurial journey. It not only increases entrepreneurial self-efficacy but also helps to sustain their business. Further, this study only covered female entrepreneurs' perceptions. Another light can be achieved if testing the same and similar variables including both genders.

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