

Factors Affecting Entrepreneurial Success: Evidence from the Micro-hydro Sector in Nepal

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ABSTRACT

Purpose: *To investigate factors affecting business success in Nepal's micro-hydro sector.*

Design/methodology/approach: *The causal-comparative research design was adopted. It is based on primary data. The necessary data were collected using a structured questionnaire from 40 micro-hydro construction companies having 99 respondents. The data have been analyzed by estimating econometric models and correlation analysis through SPSS.*

Results/findings: *The paper concludes the company's success is positively impacted by financial resources for expansion, network ties, trust, and years of schooling with a higher impact. On the other side, determinants like initial investment, shared vision, and experience have a lower impact on the company's accomplishment.*

Originality/value: *No such study uses recent data related to Nepal's micro-hydro sector is accessible. The paper, therefore, is valuable for private companies, development actors, and policymakers to create an enabling environment for the company's accomplishment. This work may potentially be useful to academia for future studies.*

Future Avenue: *The expansion of this study may be achieved by investigating ways to motivate current employees and policy preparation friendly to acquire finance for the company's expansion instead of its establishment.*

Paper type: *Empirical research*

Keywords: Business success, Entrepreneurial success, Financial resource, Human resource, Social resource, Nepal's micro-hydro Sector

JEL Classification: L26, P42, Q29, Q42

1. INTRODUCTION :

Entrepreneurship is a process undertaken by an individual to create an initiative. Entrepreneurial activity exploits prospects over intimidation (Krueger et al., 2000) [1]. Entrepreneurial activity has been an innovative initiative to take advantage of prospects. The novelty has been playing an important role in establishing business accomplishments followed by the businessperson, association, prospect, societal activities, atmosphere, and financial resources (Rajput, 2011) [2]. The entrepreneurs' accomplishment is measured as an increase in gains through the selling of products (Thapa et al., 2008) [3]. However, a company's accomplishment has been determined based on both monetary and non-monetary performance by an enterprise. Firm financial performance has been determined based on an increase in average business transactions and gain (Saha & Banerjee, 2015) [4] while the non-financial company's accomplishment depends upon the insight into present business success, future growth, and profitability. In general, entrepreneurs have been involved in subsistence as well as transformational entrepreneurial activities (Schoar, 2010) [5]. Similarly, the Nepalese micro-hydro segment has two classifications of business companies: successful and subsistence. The prevailing question arises of how prosperous businesspersons have something special in Nepal's micro-hydro segment. A study by Timmons (1989) [6] concluded that business accomplishment has been impacted by individuals, teams,

prospects, and resources. Business accomplishment has a relationship with the willingness to initiate a venture and identify its perspectives (Kumar, 2007) [7]. In this perspective, finance-related resources, societal resources, and personnel-related resources have been vital determinants impacting business accomplishments (Alvarez & Busenitz, 2001) [8]. The resources for business expansion, network connections, years of schooling, and years worked have impacted the company's success. However, the variables like start-up capital and a vision of a like-minded firm did not impact the company's success (Yadav et al., 2018) [9]. It has been still unknown the influence of finance-related resources, societal resources, and personnel-related resources in establishing business accomplishment in Nepal's micro-hydro segment.

Finance-related resources are highly noticeable resources (Cooper et al., 1994) [10]. The newly established company's progress varies as per the accessibility of various means/inputs (Aldrich & Martinez, 2001) [11]. Accessibility to resources creates the capability for discovering a prospect (Davidsson & Honig, 2003) [12]. Moreover, various research works covering the establishment of a venture have been expected if one is accessible to financial resources (Evans & Jovanovic, 1989; Holtz-Eakin *et al.*, 1993 and Blanchflower *et al.*, 2001) [13, 14, 15]. However, several other research works found that various businesspeople commence a venture without sufficient finance-related resources (Hurst & Lusardi, 2004) [16]. It can be said that one can initiate without sufficient financial resources. The accessibility of financial resources by an individual has been an important factor to grow a company, but it has not been necessary for starting a venture [16]. In this controversy, it is yet to investigate the influence of financial resources to determine business accomplishment in Nepal's micro-hydro segment.

The internal and external societal resources have been critical to creating organization-level innovation for products and their marketplaces. Societal resources in the forms of network connections, trust, and vision of like-minded organizations might affect business accomplishment. Network connections, faith, and vision of like-minded companies are positively impacted business accomplishment [4]. Sengupta (2011) [17] shows network connections have played a vital role to obtain accessibility to financial resources through developing faith between finance seeker and provider. Similarly, network connections have been an important effect of business accomplishment in the rural areas of developing economies (Aarstad, 2012) [18]. Martins (2016) [19] revealed that network connections deliver prospects to achieve sustaining and competing in the market. However, societal resources are yet to explore in Nepal's micro-hydro segment.

Human capital includes the education, credentials, capabilities, and competencies of staff (Zeghal & Maaloul, 2010) [20]. It covers the competency and abilities related to staff. Personnel-related resources have positively impacted the company's financial accomplishment (Laing et al., 2010) [21]. The years of schooling, experience, and finance-related resources have been important determinants impacting entrepreneurial accomplishment (Rose et al., 2006) [22]. One with various job understanding through several years worked having varied has more likelihood of starting a business venture than one who has experience in a single job and focuses on a single field of study at school (Lazear, 2005) [23]. Personnel-related resources have been a vital element in business accomplishment [5]. Zahoor et al. (2023) [24] found that businesspeople or executives should have specific traits such as maturity, understanding, and linguistic, risk-seeker. It has been still unknown the influence of personnel-related resources on the business success in Nepal's micro-hydro segment.

Entrepreneurial activities are one of the most important contributors to building and sustaining the efficient development and prosperity of a county. Moreover, entrepreneurship including small business has been impacting commercial progress in developed as well as developing economies. Sustainable fiscal advancement has been depending on the merchandise within a country instead of depending upon remittance received from abroad. In this case, Nepal has status as other developing countries. In this connection, entrepreneurial activity can convert a remittance-dependent country into a sustainable country. The above-mentioned literature is related to other counties and/or other sectors in Nepal. No such study uses recent data related to Nepal's micro-hydro sector is available. Thus, the research works related to factors affecting business accomplishment in Nepal's micro-hydro segment have a larger value.

2. REVIEW OF LITERATURE :

2.1. Review of Entrepreneurship Theories:

The word ‘entrepreneur’ had been employed for the first time in the 12th century (Ray & Ramachandran, 2016) [25]. However, the research works to build an entrepreneurial theory initiated comparatively late in the 17th century and continued under the domains of economics up to mid of the 20th century [25]. Moreover, scholars in the areas of psychology, anthropology, history, and management have greatly impacted the expansion of entrepreneurial theory as a separate field of business education. The entrepreneurial field is an extremely bright area of business education. The most promising entrepreneurship theories are related to six different areas such as economics, psychology, sociology, anthropology, and management (Simpheh, 2011) [26]. The theories, their contributors, and key components have been mentioned in Table 1.

Table 1: Review of entrepreneurial theories, their contributors, and key components

S. N.	Entrepreneurship theories	Main contributors and key components	Reference
1	Economic entrepreneurship theories	Papanek (1962) and Harris (1969) contribute greatly to this theory. It deals with the financial motivations of entrepreneurial activities.	Simpheh (2011). [26]
2	Psychological entrepreneurial theories	The main contributor to the psychological entrepreneurship theories is Landstrom (2010). This theory has been dealing with personality traits, the need for achievement, innovativeness, and entrepreneurial tolerance.	Simpheh (2011). [26]
3	Sociological entrepreneurial theories	Young (1971), and Chandan & Junejo (2009) contribute greatly to this theory. The entrepreneurial emergence and its performance are influenced by role expectations, cultural values, and social sanctions as per this theory.	Chandan & Junejo (2009). [27]
4	Opportunity-based entrepreneurship theory	The major contributors to this theory are Drucker (1985), and Stevenson & Harmeling (1990). This theory explains opportunities that should be exploited for change.	Stevenson & Harmeling (1990). [29]
5	Anthropological entrepreneurship theory	Baskerville (2003) is the key contributor to the anthropological entrepreneurship theory. Innovation and creativity are influenced by one’s culture leading to creating a new enterprise.	Baskerville (2003). [28]
6	Resource-based entrepreneurial theories	Alvarez and Busenitz (2001) have extended resource-based theories into new theories. This theory describes financial, social, and human-related resources for business accomplishment.	Alvarez & Busenitz (2001). [8]

Economic entrepreneurial theories deal with economic incentives while psychological entrepreneurial theories discuss psychological matters such as personality traits and the need for achievement. Sociological entrepreneurial theories contain entrepreneurial emergence and performance while innovation and creativity have been included in anthropology-related entrepreneurial theories. The opportunity-related entrepreneurial theory explains opportunity exploits and resource-dependent entrepreneurial theories, which discuss various resources for achieving business accomplishment.

2.2. Review of Major Literature:

Several scholars put forward entrepreneurial models which have identified the acclaimed models and reviewed them (Table 2). The models discussed comprise both micro and/or macro components for creating a comprehensive model of a company’s accomplishment. Business accomplishment depends upon both micro and macro factors. Moreover, the combination of various resource-related variables can explain the venture’s accomplishment. Thus, the model should constitute the combination of these variables leading to building a comprehensive model in Nepal’s micro-hydro sector.

Table 2: Models of entrepreneurial success and their key factors

S. N.	Model	Key contributor (s)	Key factors used in the model
1	Indian Model	Zafar (1983). [30]	This model comprised entrepreneurship development, environment, finance, infrastructure, opportunity, and entrepreneurial traits/skills.
2	Timmons Model	Timmons (1989). [6]	The entrepreneurial process consisting of team, resources, and opportunity have been included in this model.
3	General Model	Rauch and Frese (2000). [31]	Entrepreneurial success consists of the environment and strategies. It has also human-related capital, personal behavior, and aspirations.
4	Wickham Model	Wickham (2001). [32]	Wickham's model deals with industry knowledge, management and people skills, and personal motivation.
5	Entrepreneurship Process Model	Hisrich & Peters (2002). [2]	It has covered environment, resources, opportunity, organization, motivation, management skills, innovation, and business planning.
6	Integrative Model	Morris et al. (2005). [2]	Atmosphere, inputs, organization, process, entrepreneur, & concept are key components in this integrative model.
7	Capital Model	Berg-Utby et al. (2007). [33]	This model covers opportunity, ability, and motivation.
8	Conceptual Model	Kumar (2007). [7]	It includes identifying an opportunity, eagerness to set up an initiative, and the accomplishment of an endeavor.
9	Success Model	Rajput (2011). [2]	Association, Civilization, atmosphere, means, opportunity, businessperson, and originality are the key components of this model.

The above-mentioned literature shows the factors related to various capitals have a vital role in the accomplishment of an initiative. However, the controversy is which of the determinants has a greater impact on business accomplishment in Nepal’s micro-hydro sector.

2.3. Conceptual framework:

A review of the literature has identified several factors affecting the company’s accomplishment. In this perspective, enterprising qualities, prospects, expertise, corporate plan, finance-related resources, setup, setting, businessperson, the establishing group, capital, economic progress, diverse effort, education, aims, character, approaches, incentive, executive expertise, individuals expertise, business awareness, empire-building capability, promise, authority remoteness, ambiguity escaping, uniqueness, maleness, direction, procedure, corporate perception, shortage of investment, absence of understanding, financing, workforces size, family trade, favorable necessitate, knowhow, network connections, trust, collective dream, person statistics, societal investment, decent backing, autonomous movement, bank’s credits, dimensions of corporate and marketplace in the form of the number of people have been determining factors influencing the company’s accomplishment.

The review of literature has further explored several factors affecting the company’s accomplishment as innovativeness, cultural aspects, entrepreneur’s attitude, entrepreneurial competence, ignorance, inner inspiration, networks connection, job commitment, work gratification, tiredness, Female attributes, people-related capital, commercial direction, societal investment, network connections, trust, and vision of the like-minded company.

Moreover, a review of Nepalese literature has identified several factors influencing the company’s accomplishment. The most promising factors are corporate plan, availability of financial resources for expansion, availability of raw supplies, size of the company, ability, networks, favorable rule, entrepreneurial activity, prospect, favorable commercial milieu, household context, social group, gender, movement, schooling, teaching, commercial qualities, expert, shortage of financing, commercial ability, workers, investment, and shortage of expertise and ability.

As per the above-mentioned discussions, all the identified variables/elements are beyond the scope of this study. Conversely, only some of the main variables/elements are taken into consideration for this paper. Thus, the factors, i.e., input, and output variables identified through the literature review are ahead of the scope for this paper. The following postulates are derived:

- (1) The company’s success depends on the initial investment.
- (2) The company’s success depends on its financial resources for expansion.
- (3) The company’s success depends on its network ties.
- (4) The company’s success depends on its trust in the network.
- (5) The company’s success depends on its shared vision.
- (6) The company’s success depends on years of schooling by the owners/managers.
- (7) The company’s success depends on the experience of the owners/managers.

Considering resource-based entrepreneurial theories as well as the major variables, the conceptual structure employed in this paper is mentioned in Figure 1.

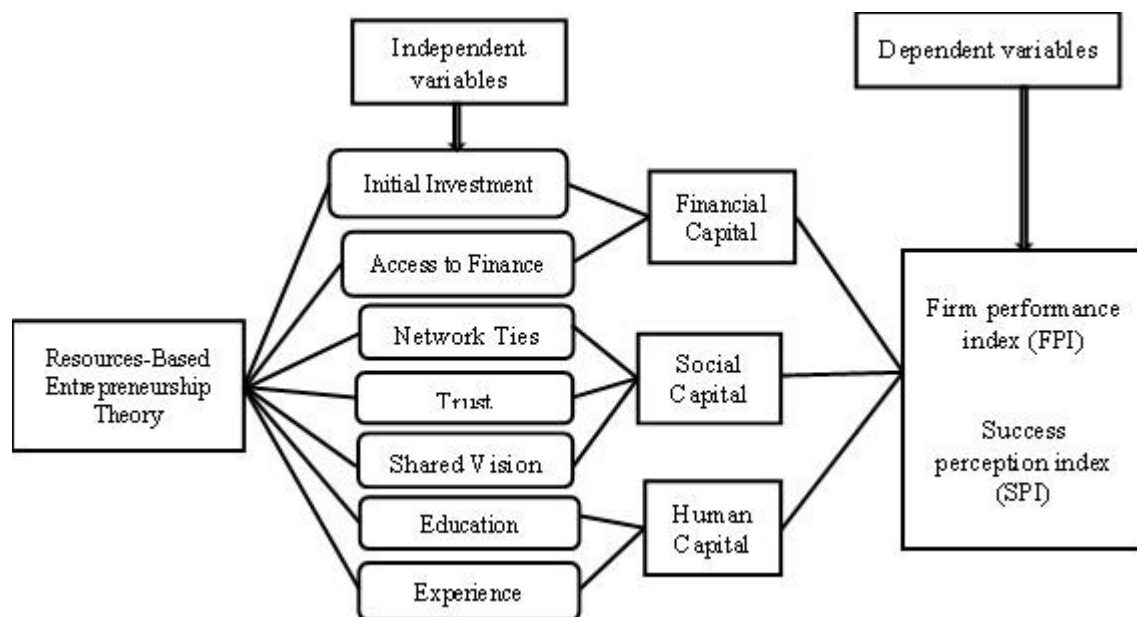


Fig. 1: The conceptual structure employed in this paper

The schematic diagram illustrates that the accomplishment of an initiative depends upon various resource variables. Finance-related resources include preliminary investment as well as financial resources for expansion. Social-related resources consist of network-related connections, faith, and shared visual sense. Moreover, human-related resources comprise years of schooling and understanding as per years worked.

3. OBJECTIVE OF THE STUDY :

The paper aims to examine determinants related to entrepreneurial success in Nepal’s Micro-hydro Sector.

4. HYPOTHESIS :

- H₁: The ‘initial investment’ is positively related to the firm’s performance.
 H₂: The ‘financial resource for expansion’ is positively related to the firm’s performance.
 H₃: The ‘network tie’ is positively related to the firm’s performance.

- H₄: The ‘trust in the network’ is positively related to the firm’s performance.
 H₅: The ‘vision of a similar company in the sector’ is positively related to the firm’s performance.
 H₆: The ‘years of schooling by the owners/managers’ is positively related to the firm’s performance.
 H₇: The ‘years worked by the owner/manager’ is positively related to the firm’s performance.

5. METHODOLOGY :

The causal-comparative research design has been employed in this paper. This paper depends upon the primary data. The required data were gathered through the sample of 99 owners/managers from 40 micro-hydro construction companies (MHCCs) using a structured questionnaire. 78 MHCCs have been operating in the sector for at least 3 years. Out of these, 55 MHCCs (71%) lie in the Bagmati provincial areas of Nepal which are considered the population of the paper. Considering the highest penetration of MHCCs in the Bagmati province of Nepal, 40 MHCCs (73%) out of 55 MHCCs and 99 owners/managers are considered as the sample of this study. The sample was determined randomly at every MHCC.

Moreover, Cronbach’s alpha was used to test the reliability of the data. The overall result was detected to be 0.92 representing the data reliability. And then, the collected data were analyzed by estimating the correlation coefficient and econometric models. The correlation coefficient was calculated to evaluate the relationship of a controlled variable with a measured variable.

By approximating linear regression models, the influence of the explanatory variable on the measured variable was analyzed. All the results have been calculated at the 2-tailed level of significance through SPSS.

In addition, t-statistics, F-statistics, adjusted R², and Variance inflationary factors (VIF) were also employed for data analysis to obtain the findings leading to conclusions.

In this perspective, the company’s accomplishment is the function of different capital variables [4 & 9]. Therefore, the argument can be expressed as,

$$\text{Entrepreneurial success (FPI}_m \text{ or SPI}_m) = f(\text{INVEST}_m, \text{ACCESS}_m, \text{NETWORK}_m, \text{TRUST}_m, \text{SVISION}_m, \text{EDU}_m, \text{EXP}_m) \dots (1)$$

The equation to be estimated has therefore been specified as,

$$\text{FPI}_m = \beta_0 + \beta_1 \text{INVEST}_m + \beta_2 \text{ACCESS}_m + \beta_3 \text{NETWORK}_m + \beta_4 \text{TRUST}_m + \beta_5 \text{SVISION}_m + \beta_6 \text{EDU}_m + \beta_7 \text{EXP}_m + \varepsilon_i \dots (2)$$

$$\text{SPI}_m = \beta_0 + \beta_1 \text{INVEST}_m + \beta_2 \text{ACCESS}_m + \beta_3 \text{NETWORK}_m + \beta_4 \text{TRUST}_m + \beta_5 \text{SVISION}_m + \beta_6 \text{EDU}_m + \beta_7 \text{EXP}_m + \varepsilon_i \dots (3)$$

Where,

FPI _m	=	Firm performance index or company’s financial performance
SPI _m	=	Success perception index or company’s non-financial performance
INVEST _m	=	Initial investment or resources needed to initiate a venture
ACCESS _m	=	Access to finance or financial resources for expansion
NETWORK _m	=	Network ties
TRUST _m	=	Trust in the network
SVISION _m	=	Shared vision or vision of a similar company in the sector
EDU _m	=	Education or years of schooling
EXP _m	=	Experience or number of years worked
m	=	Micro-hydro sector
ε _i	=	Error term or disturbance

Throughout the study, ethical consideration has been maintained. It was ensured to get an appointment and consent beforehand as well as volunteer participation by a participant filling out the survey. The privacy of the data provided by them was maintained during the research and afterward. It also maintained unbiasedness throughout the study.

6. RESULT AND DISCUSSION :

In this section, the relationship of regressors with response variables in Nepal’s micro-hydro sector has been assessed through correlation and regression analysis. It has been considered the answers received from 99 owners/managers from 40 micro-hydro construction companies.

6.1. Correlation analysis:

Spearman's rho (ρ) correlation coefficients were computed to evaluate the relationship of the controlled variable with the responding variable (Table 3). The computed correlation coefficients were analyzed to determine the correlation among them.

The correlation coefficient of the resource needed to initiate a venture indicates that very low degree of positive correlation with business accomplishment. The results are not significant. Business accomplishment and initial investment move in the same direction with a very degree of movement. Likewise, the correlation coefficient of financial resources for expansion shows that low degree of positive correlation with the company’s success. The coefficient values are significant at 1% level of significance. The company’s success and financial resources for expansion also move in the same direction with a lower degree of movement.

Furthermore, the correlation coefficient of the network ties discloses a low degree of positive correlation with business accomplishment. The correlation coefficient has been statistically significant for a financial company’s performance and a non-financial company’s performance at 5% and 1% level of significance respectively. The network and the company’s accomplishments move in the same direction with a low degree of movement. The trust’s correlation coefficients are a low degree of positive correlation with business success and significant at 1% level of significance. Thus, trust and business accomplishment move in the same direction with a low degree of movement. The correlation coefficient of shared vision is a low degree of correlation with the company’s accomplishment. The correlation coefficient has been statistically significant at 1% level of significance. The company’s accomplishments and shared vision move in the same direction with a low degree of movement.

Table 3: The relationship of the measured variable with the input variable in Nepal's micro-hydro sector

Coefficient	Mean	SD	FPI _m	SPI _m	INVEST _m	ACCESS _m	NETWORK _m	TRUST _m	SVISION _m	EDU _m	EXP _m
FPI _m	4.11	0.41	1								
SPI _m	4.10	0.45	0.43*	1							
INVEST _m	3.26	1.64	0.15	0.15	1						
ACCESS _m	3.91	0.34	0.28*	0.32*	0.14	1					
NETWORK _m	4.14	0.39	0.25**	0.39*	0.08	0.32*	1				
TRUST _m	3.93	0.34	0.27*	0.31*	0.06	0.18	0.43*	1			
SVISION _m	3.61	0.72	0.32*	0.28*	0.03	0.42*	0.36*	0.46*	1		
EDU _m	2.69	0.72	0.19	0.09	0.09	0.13	0.23**	0.09	0.16	1	
EXP _m	4.05	0.57	0.18	0.26*	0.34*	0.19	0.19	0.01	0.09	-0.05	1

Source: Field survey

Note: (1) * significant at 1 percent and ** significant at 5 percent level of significance.

Moreover, the years of schooling have a very low degree of correlation with business accomplishment. The coefficient values are not significant. However, it indicates years of schooling and business accomplishment move in the same direction with a low degree of movement. The relationship of years worked with a financial company’s performance and a non-financial company’s accomplishment is a very low and low degree of correlation respectively. The years worked and the company’s performance moves in the same direction with a low degree of movement.

To determine the degree of multicollinearity, the variance inflationary factor (VIF) was computed. The calculated VIF value is below 5. Therefore, the variables have been free from multicollinearity. It confirms that the variables can be used for estimating econometric models.

6.2. Regression analysis:

As mentioned in Tables 4 and 5, the regression coefficients of the company’s financial performance on various resources in Nepal’s micro-hydro sector have been calculated. One of the seven independent variables is included in the first seven equations at a time. The different variables related to various resources are contained in Equations 1 to 5.

Models 1 and 8 show that the beta coefficient of resources needed to initiate a venture is positive which is not statistically significant. The company’s accomplishment has been positively impacted by the initial investment with a lower impact on it. The access to finance’s beta coefficient is positive with statistically significant at 5% level of significance as given in models 2 and 11. Therefore, access to finance positively impacted the company’s success with a higher impact on it.

The regression coefficient of network ties is positive which is statistically significant at 1% level of significance (Model 3). Network ties have positively affected business accomplishments with a larger impact on them. The trust’s beta coefficient has a positive sign which is statistically significant at 1% level of significance as mentioned in Model 4. The company’s accomplishment is positively impacted by the trust of a higher impact on it. Similarly, there is a positive regression coefficient of shared vision but not statistically significant as indicated in models 5 and 9. Shared vision positively impacted the company’s performance with a lower impact on it.

The beta coefficient of education or years of schooling has a positive sign which is statistically significant at 1% and 5% level of significance as given in models 6, 10, and 11. The business accomplishment is positively affected by years of schooling by the owners/managers in Nepal’s micro-hydro sector. Likewise, the coefficient of years worked is positive which is not significant as mentioned in models 7 and 10. Thus, business accomplishment is impacted by years worked by entrepreneurs/managers with a lower impact on it.

Table 4: Approximating influence of the explanatory variables on the observed variables in Nepal’s micro-hydro sector

$$\text{The equation is } FPI_m = \beta_0 + \beta_1 \text{INVEST}_m + \beta_2 \text{ACCESS}_m + \beta_3 \text{NETWORK}_m + \beta_4 \text{TRUST}_m + \beta_5 \text{SVISION}_m + \beta_6 \text{EDU}_m + \beta_7 \text{EXP}_m + \epsilon_i \dots (4)$$

Model	Intercept	Regression coefficient of						
		Financial resource		Social resource			Human resource	
		INVEST _m	ACCESS _m	NETWORK _m	TRUST _m	SVISION _m	EDU _m	EXP _m
1	3.97 (43.41)*	0.04 (1.63)						
2	3.13 (6.63)*		0.25 (2.07)**					
3	2.91 (6.74)*			0.29 (2.79)*				
4	2.82 (6.04)*				0.33 (2.78)*			
5	3.84 (18.18)*					0.07 (1.29)		
6	3.81 (24.16)*						0.11 (1.95)**	
7	3.94 (13.14)*							0.04 (0.56)
8	3.11 (6.62)*	0.03 (1.37)	0.23 (1.86)					
9	2.39 (4.56)*			0.20 (1.71)	0.22 (1.60)	0.01 (0.07)		
10	3.52 (9.84)*						0.12 (2.07)*	0.07 (0.90)
11	2.86 (5.87)*		0.25 (2.06)**				0.11 (1.94)**	

Table 5: (Continued Table 4)

Model	Adj. R ²	SEE	F	VIF
1	0.020	0.41	2.67	-
2	0.033	0.40	4.30	-
3	0.065	0.39	7.79	-
4	0.064	0.39	7.71	-
5	0.007	0.41	1.66	-
6	0.028	0.41	3.80	-
7	0.007	0.41	0.31	-
8	0.041	0.40	3.10	1.02
9	0.074	0.39	3.60	1.39
10	0.026	0.41	2.30	1.03
11	0.059	0.40	4.10	1.00

Source: Field survey

Notes: (1) The value in the bracket are t-values.

(2) Observed variable: Firm performance index (FPI) or company’s success.

(3) * significant at 1 percent and ** significant at 5 percent level of significance.

Finally, the findings show that critical determinants impacting a company’s financial accomplishment are years of schooling followed by financial resources for expansion, network connections, trust, start-up finance, years worked, and vision of like-minded private companies in Nepal’s micro-hydro segment.

The regression coefficient was calculated for the company’s non-financial accomplishment on various resources in Nepal’s micro-hydro segment as mentioned in Tables 6 and 7. In this perspective, models 1 to 7 include one out of seven controlled variables at a time. The controlled variables related to various resources are included in models 8 to 11 to obtain the findings of this paper. In addition, adj. R², SEE, F value, and VIF were calculated for the respective model before starting an analysis.

As per models 1 and 8, the coefficient of start-up investment has been a positive sign which is not statistically significant. It signifies that start-up capital positively impacted the company’s accomplishment with a lower impact. However, the coefficient for financial resources for business expansion has a positive sign which is statistically significant at 5% level of significance as given in models 2 and 8. Thus, the financial resources for business expansion positively affected the business accomplishment with a higher impact. The higher the financial resources for business expansion, the higher would be the business accomplishment in Nepal’s micro-hydro segment.

The beta coefficient of network connections has a positive sign which is statistically significant at 1% level of significance (Models 3 and 11). Therefore, the company’s accomplishment is positively impacted by the network connections with a higher impact. If network connections increase, the company’s accomplishment will also increase in Nepal’s micro-hydro segment. The trust’s coefficient has a positive sign with statistically significant at 1% level of significance as mentioned in models 4 and 9. Trust has positively affected business success with a higher impact. The higher the trust among connections, the higher would be the business accomplishment. However, the regression coefficient of shared vision has a positive sign which is not statistically significant (Models 5, 9, and 11). Thus, the shared vision positively impacted the company’s accomplishment with a lower impact.

The years of schooling have a positive regression coefficient but are not statistically significant as mentioned in models 6 and 10. The years of schooling have positively affected business accomplishments with lower impact. Similarly, the beta coefficient for experience has a positive sign but it is not statistically significant as given in models 7 and 10.

Table 6: Approximating impact of the explanatory variables on the observed variables in Nepal’s micro-hydro sector

$$\text{The equation is } SPI_m = \beta_0 + \beta_1 \text{INVEST}_m + \beta_2 \text{ACCESS}_m + \beta_3 \text{NETWORK}_m + \beta_4 \text{TRUST}_m + \beta_5 \text{SVISION}_m + \beta_6 \text{EDU}_m + \beta_7 \text{EXP}_m + \varepsilon_i \dots (5)$$

Model	Intercept	Regression coefficient of
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		Financial resource		Social resource			Human resource	
		INVEST _m	ACCESS _m	NETWORK _m	TRUST _m	SVISION _m	EDU _m	EXP _m
1	3.99 (39.83)*	0.04 (1.28)	-	-	-	-	-	-
2	2.89 (5.66)*	-	0.31 (2.38)**	-	-	-	-	-
3	2.46 (5.37)*	-	-	0.40 (3.59)*	-	-	-	-
4	2.46 (4.94)*	-	-	-	0.41 (3.26)*	-	-	-
5	3.75 (16.39)*	-	-	-	-	0.10 (1.57)	-	-
6	4.02 (23.01)*	-	-	-	-	-	0.03 (0.49)	-
7	3.76 (11.56)*	-	-	-	-	-	-	0.09 (1.08)
8	2.88 (5.63)*	0.03 (0.97)	0.29 (2.22)**	-	-	-	-	-
9	2.47 (4.89)*	-	-	-	0.39 (2.84)*	0.03 (0.39)	-	-
10	3.61 (9.12)*	-	-	-	-	-	0.04 (0.67)	0.09 (1.17)
11	2.40 (5.11)*	-	-	0.38 (3.26)*	-	0.04 (0.70)	-	-

Table 7: (Continued Table 6)

Model	Adj. R ²	SEE	F	VIF
1	0.006	0.45	1.63	-
2	0.046	0.44	5.68	-
3	0.108	0.42	12.91	-
4	0.090	0.43	10.66	-
5	0.015	0.45	2.45	-
6	0.008	0.45	0.237	-
7	0.002	0.45	1.16	-
8	0.045	0.44	3.30	1.00
9	0.082	0.43	5.36	1.18
10	0.004	0.45	0.80	1.03
11	0.104	0.42	6.66	1.08

Source: Field survey

Notes: (1) The value in the bracket are t-values.

(2) Observed variable: Success perception index (SPI) or non-financial accomplishment.

(3) * significant at 1 percent and ** significant at 5 percent level of significance.

Finally, the findings show that critical determinants impacting a company's non-financial accomplishment are network connections followed by trust, financial resources for expansion, a vision of like-minded private companies, years worked, start-up capital, and years of schooling in Nepal's micro-hydro segment.

The financial resources for expansion positively affected the company's performance. This finding is consistent with the findings of various studies [9, 16, 30, 35, 36, 37, 38]. The network connection is positively related to the company's performance. Network ties have impacted the company's performance. This finding is consistent with the findings of various studies [4, 9, 17, 19, 39]. But this finding is not consistent with the finding of another study [2]. Moreover, trust has positively impacted on the company's performance. This finding is similar to the conclusions of Saha & Banerjee (2015)

[4], and Yadav et al. (2018) [9]. The years of schooling have positively affected the company's performance. This finding is similar to the conclusions of various studies [9, 40, 41, 42, 43, 45]. Based on the empirical analysis, the first hypothesis (H1) has not been accepted because the findings show that the resources needed to initiate a venture positively influenced the company's accomplishment which is not significant. The second hypothesis (H2) is accepted as financial resources for expansion positively influenced the company's accomplishment which is statistically significant as well. Similarly, the third hypothesis (H3) has been accepted because network connections positively impacted the company's accomplishment, which is statistically significant as well. The fourth hypothesis (H4) has been accepted as trust among networks positively influenced the company's accomplishment. The fifth hypothesis (H5) has not been accepted because the findings show that the vision of a like-minded company positively influenced the company's accomplishment which is not statistically significant. The sixth hypothesis (H6) is accepted as years of schooling positively influenced the company's accomplishment with statistically significant. Likewise, the seventh hypothesis (H7) has not been accepted as the findings show that experience has a positive influence on the company's accomplishment, but it is not statistically significant. The study, therefore, formulates an entrepreneurial success model as a firm accomplishment is the function of financial resources for expansion, network connection, trust, and education.

7. CONCLUSION AND RECOMMENDATION :

The study concludes the company's accomplishment has been positively impacted by financial resources for expansion. The network connections have positively affected the company's performance. Similarly, years of schooling have positively impacted the company's performance. Therefore, these determinants are compelling factors impacting the company's performance in Nepal's micro-hydro sector.

However, the resources to initiate a venture have been positively correlated with the company's performance with a lower influence on the business's accomplishment. The business's accomplishment and shared vision are positively related to having a lower impact. The years worked have positively correlated with the business accomplishment having a lower impact. That is why these determinants are not compelling factors impacting the company's performance.

Since financial resources for expansion and the company's accomplishment are positively correlated, the company has the will to grow and must activate more financial resources. The company's accomplishment has been influenced positively by network connections and trust. Thus, the company should develop and sustain networking through trust-building among stakeholders to grow in the sector. The company's accomplishment has a positive correlation with education. Hence, micro-hydro renewable energy entrepreneurs must create an enabling environment for educated employees to pursue an opportunity in the respective sector and beyond. The future avenues may be investigating ways to motivate current employees and policy preparation friendly to acquire finance for the company's expansion instead of its establishment.

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