FACTORS INFLUENCING PERFORMANCE OF WOMEN OWNED MICRO AND SMALL ENTERPRISES IN KENYA: A CASE OF THIKA DISTRICT, CENTRAL PROVINCE

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A research project submitted to the School of Business in partial fulfillment for the award of Master of Business Administration of Kenyatta University

October, 2011
DECLARATION

I declare that this research project is my original work and to the best of my knowledge it has not been submitted in this or any other form for the award of a degree in this or any other University.

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This research project has been submitted for examination with our approval as University Supervisors.

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DEDICATION

This research project is dedicated to my late mum, Beatrice Kaswii Mailu who taught me the virtue of hard work. Thank you, mum, I am reaping the fruits.
ACKNOWLEDGEMENT

First and foremost I thank God whose grace and blessings took me through my MBA degree. I also thank my immediate family for their understanding during the long absence.

I would like to express my gratitude to my supervisors, Dr. Mary Namusonge and Mr. Julius Murungi for the invaluable support and guidance in writing this work. Special thanks go to all those who in a small or big way have contributed towards the completion of this project.
ABSTRACT

The purpose of the study was to analyze the extent to which individual and external factors affect the performance of women-owned enterprises in Thika district and establish the extent to which individual motivations and goals, social learning, network affiliations, human capital, and environment, influence performance of women-owned enterprises in Thika district. For data collection, focus was on 1,786 women-owned small and micro enterprises (enterprises that have less than fifty employees) in Thika district, Central province. 10% of the 1786 women owned enterprises were randomly sampled thus a target population of 180 was used in this study (180 women enterprises - slightly higher than recommended 10% to ensure all types of enterprises are captured). The tool of data collection was questionnaires whereby both open-ended and closed-ended questions were administered. Validity of the instrument was ensured through a pilot test and the reliability was measured by Cronbach Alpha Coefficient. The researcher dropped the questionnaires to the respondents and allowed them a two-day period to fill. Data analysis was done using descriptive statistics with the aid of the Statistical Package for Social Sciences (SPSS) for windows. Findings of the study were presented in pie charts, bar graphs and frequency tables. The findings provide feedback to the government and other stakeholders to help them come up with appropriate strategies for improving women participation and enhance performance in women-owned enterprises. The research showed that motivations and goals had a significant influence on business performance. Women-owned MSEs that were established due to lack of employment, performed better than those established either to gain independence or as an achievement. Role models and childhood economic status greatly influence MSEs’ performance as well as network affiliations. Women entrepreneurs who had business mentors were positively influenced by them towards better performance of their businesses. The impact of human capital factors on performance had mixed results. Education areas and entrepreneurial experience were not related to performance though the level of education influenced the performance of the women entrepreneurs to a great extent. Availability of business finance greatly influence performance of women owned MSEs and low performance is associated to lack of credit. Retail businesses performed better than service businesses. Further research examining the influence of motivations and goals, social learning, network affiliations, human capital and environmental factors in women-owned businesses compared with men-owned businesses is needed to determine if these results are gender specific or a function of social structures.
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LIST OF ABBREVIATIONS AND ACRONYMS

MSEs- Micro and Small Enterprises
SMEs- Small and Medium Enterprises
GDP- Gross Domestic Product
OECD- Organization for Economic Cooperation and Development
UNIDO- United Nations Industrial Development Organization
ILO- International Labour Organization
GOK- Government of Kenya
HIV/AIDS- Human Immunodeficiency virus/ Acquired Immunodeficiency Syndrome
KES- Kenya Shillings
GEM- Global Entrepreneurship Monitor
DO- District Officer
SPSS- Statistical Package for Social Science
SBDC- Small Business Development Centres
USA- United States of America
ROI- Return on Investment
ROE- Return on Equity
ROA- Return on Assets
SACCO- Savings and Credit Co-operative Societies
MFIs- Micro Finance Institutions
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the study

According to the United Nations Industrial Development Organization (UNIDO, 2003), economic liberalization, deregulation, and democratization is seen as the paramount way to triumph over poverty and inequality. Important to this process, is the development of an animated private sector, in which micro and small enterprises can play a central role. MSEs have a propensity to employ more labor-intensive production processes than large enterprises. Consequently, they contribute significantly to the provision of productive employment opportunities, the generation of income and, eventually, the reduction of poverty.

According to OECD (1993), in industrialized countries, MSEs are major contributors to private sector employment. Empirical studies have shown that MSEs contribute to over 55% of GDP and over 65% of total employment in high income countries. MSEs and informal enterprises, account for over 60% of GDP and over 70% of total employment in low income countries, while they contribute about 70% of GDP and 95% of total employment in middle income countries. SMEs play significant contribution in the transition of agriculture-led economies to industrial ones furnishing plain opportunities for processing activities which can generate sustainable source of revenue and enhance the development process. MSEs shore up the expansion of systemic productive capability. They help to absorb productive resources at all levels of the economy and add to the formation of flexible economic systems in which small and large firms are interlinked. Such linkages are very crucial for the attraction of foreign investment. Investing transnational corporations look for sound domestic suppliers for their supply chains.

MSEs are the major growing force behind the fastest growing economy of China, in terms of contribution to the national GDP (accounting for 40%), scale of assets, diversification of products, and the creation of employment. Similarly, the role of MSEs is well acknowledged in other countries such as Japan, Korea, and all other industrialized economies in terms of creating employment, reducing poverty and increasing the welfare of the society (OECD, 1993).
A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth. According to World Bank research, if the Middle East and North Africa region had introduced the same policies as East Asia with regards to gender equality in access to education and employment; it could have grown 0.7 percent faster per year during the 1990s.

Research on women entrepreneurs is extensive in developed countries, especially in the United States and Canada (Lerner et al., 1997). These studies comprise a growing body of knowledge from which theories are emerging and prescriptions for success are derived. However, studies of women entrepreneurs in non-OECD as well as developing countries are comparatively scarce (Truman, 1993). This is a critical omission from our understanding of women's entrepreneurship, because the role of women entrepreneurs contributing to modernization of developing economies as well as facilitating enterprise development in transition economies is of increasing importance (OECD, 1993). Furthermore, social structures, work, family, and organized social life vary widely in developing countries (Aldrich, 1989). Because the theories have emerged primarily from research in developed countries, it is important to examine the extent to which these apply in the context of non-OECD countries.

1.1.1 Women entrepreneurship in Kenya

The promotion of women participation in economic activities is perceived as a primary means of attaining economic growth and at the same time improves the standard of living of many Kenya's poorest, who are mainly women. Studies on micro-enterprises suggest that only a small percentage is able to grow (Band and Bruijne, 1993).

Women-owned businesses are making a significant contribution to the Kenyan economy (GOK, 2005). Their businesses account for about one-half (48 percent) of all micro-, small enterprises (MSEs), which contribute around 20 percent to Kenya's GDP. The remaining 52% are men-owned. Of the 462,000 jobs created annually since 2000 in Kenya, 445,000 jobs have come from the informal sector, where 85 percent of women's businesses are found (Economic Survey, 2006).
Despite their potential, women-owned businesses in Kenya are less likely to grow, are smaller, and are twice as likely to be operating from home as compared to male-owned businesses. Women-owned MSEs report earning only 57 percent of income that male business owners earn. They also have fewer employees. The average number of employees in a woman-owned MSE in 1999 was 1.54, compared to 2.1 for a male-owned MSE. In 1999 only 4 percent of the workers in women-owned businesses were hired. The remainder consisted of family members and apprentices (Ivan A. et al., 2002)

According to ILO Survey (2008) in general, Kenya women tend to operate smaller enterprises than men, with the average number of employees in women-owner/managed MSE being 1.54 versus 2.1 in men-owner/managed MSEs. In women-owner/managed MSEs, about 86 per cent of the workers were women owner/managers themselves, 4 per cent were hired workers, with the remainder made up of unpaid family members and/or apprentices. Whereas, in men-owner/managed MSEs, only 68 per cent of the workers were men owner/managers themselves, 17 per cent hired workers and the remainder made up of unpaid family members and/or apprentices.

The survey also indicated that women tended to operate smaller MSEs than men and made less income than them, with women making an average gross income of KES 4,344 per month compared to KES 7,627 for men. As noted earlier, the 1999 Baseline Survey indicated that about half (52.6 percent) of all employees are men and 47.4 per cent are women. This compared to the national employment statistics of 2003 and 2004 which indicated that only 30 per cent of the total workforce was made up of women. The MSEs sector, therefore, holds more promise for women in providing and accessing employment opportunities. Further research is, therefore, necessary.

Based on available growth statistics, the MSE sector, which is growing rapidly, has the potential to provide employment to the majority of Kenyans including women entrepreneurs. There is a need to identify the factors that hinder the growth of women in the MSE sector and to develop appropriate intervention programmes to reduce them. This will lead to a more equitable distribution of the national income and, thus, reduce the incidence of poverty among women in MSEs, and the nation as a whole.
Lying 1420 meters above sea level and 40 kilometers north of Nairobi, Thika is one of the oldest municipalities in Kenya. It sprung towards the end of 19th century as a starting point for British settlers wanting to start coffee farming in the agriculturally rich surrounding area. By 1908, the Blue Post Hotel was already doing good business as a stopover for the British settlers. Asian traders and businessmen soon established retail businesses to cater for the needs of the fast growing European farming community and within a short time; industries started setting up, making Thika the hub of industrial development in colonial Kenya. By 1924, Thika had already expanded to bustling industrial and business town. That year, it was gazetted as a town. In 1963, it became a municipality with the first mayor being elected in 1968. Today, Thika is the headquarters of Thika District and one of the municipalities included in the newly created Nairobi Metropolitan—two factors that will definitely accelerate its growth and attractiveness as an industrial and commercial centre.

The purpose of this research was to analyze the extent to which factors such as motivations and goals, social learning, network affiliations, human capital, and environmental influences affect performance of women owned MSEs in Thika district in Kenya.

1.2 Statement of the problem

Despite the policies that the government of Kenya has put in place with regard to improving gender equity and specifically to improve the performance of women entrepreneurs, solely female-owned enterprises tend to achieve negative growth (Gitonga, 2008).

The National MSE Baseline Survey (1999) indicates that 47.7 per cent of the enterprises are female owned, 74.7 percent operate in trade. Yet most women owned businesses are tiny marginal entities (GOK, 2005). Most studies have been conducted researching factors that influence performance of women owned enterprises but the extent of the influence has not been researched (Lerner et al., 1997)

The main purpose of this study was therefore to find out the factors that influence the performance of women owned enterprises and analyze the extent to which individual and external factors affect performance of women owned enterprises.
1.3 Research objectives

1.3.1 General objective of the study
The general objective of the study was to investigate and analyze factors influencing performance of women entrepreneurs in micro and small enterprises.

1.3.2 Specific objectives of the study
Specifically the study sought to achieve the following objectives.

i. To find out the extent to which motivations and goals influence performance of women entrepreneurs in micro and small enterprises in Thika district.

ii. To investigate the extent to which social learning influences performance of women entrepreneurs in micro and small enterprises in Thika district.

iii. To find the extent to which network affiliations influence performance of women entrepreneurs in micro and small enterprises in Thika district.

iv. To assess the extent to which human capital influence performance of women entrepreneurs in micro and small enterprises in Thika district.

v. To establish the extent to which environmental factors influence performance of women entrepreneurs in micro and small enterprises in Thika district.

1.4 Research Questions

i. To what extent do motivations and goals influence performance of women entrepreneurs in micro and small enterprises in Thika district?

ii. To what extent does social learning influence performance of women entrepreneurs in micro and small enterprises in Thika district?

iii. To what extent do network affiliations influence performance of women entrepreneurs in micro and small enterprises in Thika district?

iv. To what extent does human capital influence performance of women entrepreneurs in micro and small enterprises in Thika district?

v. To what extent do environmental factors influence performance of women entrepreneurs in micro and small enterprises in Thika district?
1.5 Significance of the study
The results of this study will be of importance to the following: The findings will help women understand their strengths and weaknesses which can help them strategize to perform better in entrepreneurship, Policy makers will formulate policies that lead to the improvement of the performance of women-owned enterprises. Interested researchers will use the findings of the study to understand the issues raised and use them as reference material and/or basis for further research. The results of this study might influence the attitude of banks and other lending institutions towards MSEs. These institutions could also use the result of this study to improve the facilities offered to the sector and understand the social economic impact of the credits on the target beneficiaries.

1.6 Scope of the study
The study was carried out in Thika district in Central Province in Kenya. The study investigated the factors that influence performance of women entrepreneurs in micro and small enterprises. The researcher focused on women owned micro and small enterprises. Medium sized enterprises were not included because they are very few and insignificant. Men owned enterprises were not included in the study.

1.7 Limitation of the study
Some respondents regarded some information as classified or of strategic importance and as a result failed to give all required details. This was reduced by assuring the respondents of confidentiality of the information they gave.

1.8 Assumptions to the study
It was assumed that motivations and goals, social learning, network affiliations education and training and environmental factors influence the performance of women entrepreneurs in MSEs. The researcher also assumed that the respondents would give all the needed information.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature related to the study. The researcher will get this from secondary sources such as research journals, textbooks, newspaper articles and relevant websites. The literature shall be reviewed in order to identify opinions, findings and information from various studies and people on factors influencing performance of women entrepreneurs. An Analysis of the literature shall reveal knowledge and information gaps which the research seeks to fill.

2.2 Theoretical Review of Literature

This section is subdivided into five broad areas, namely; concept of performance, concept of woman entrepreneur, Concept of Micro and Small Enterprises, rationale for women entrepreneurship and factors influencing performance of women owned enterprises.

2.2.1 Concept of Performance

Performance is the accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed (Business Dictionary, 2009). Lebas and Euske (2002) provide a definition of performance as “doing today what will lead to measured value outcomes tomorrow.” Business performance measurement is concerned with measuring this performance relative to some benchmark, be it a competitor’s performance or a preset target.

Business performance measurement and control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities (Simmons, 2000). A typical performance measurement helps businesses in periodically setting business goals and then providing feedback to managers on progress towards those goals. The time horizon for these goals can typically be about a year or less for short-term goals or span several years for long-term goals (Simmon, 2000).
Accurate and appropriate measurement of performance is critical in entrepreneurship research. Without adequate means of measuring performance, theory development is impeded and it becomes difficult to develop useful prescriptions for entrepreneurs. Entrepreneurship researchers, however, face a number of difficulties in adequately assessing new venture success and failure (Chakravarthy, 1986). Reliable data are more often difficult to obtain, and the question of comparability is an ever-present problem (Kunkel and Hofer, 1991). Moreover, there is a lack of information and guidance on performance in the field of entrepreneurship (Brush and Vanderwerf, 1992). With little agreement among researchers on the definitions and goals of entrepreneurship, it is not surprising that definitions of successful performance for business ventures and the variables used to measure performance vary widely.

Performance measures are classified as either financial or operational and according to the source of data; whether secondary or primary (Venkatraman and Ramanujum, 1986). According to Murphy et al. (1996) in research, the frequently used performance measures are efficiency, growth, profit, and size of the business, in this order.

Efficiency is measured in terms of ROI, ROE, ROA and Return on net worth, growth of the business is measured by change in sales, change in employees' number, market share and income margin. Profit is determined by return on sales, gross profit margin and net profit margin, while size of the business is determined by sales level, cash flow level and ability to fund growth (Murphy et al., 1996). According to Srinivasan, Woo, and Cooper (1994) the most frequently used operationalizations of performance include survival, number of employees, and profitability.

Firm performance is assessed using both subjective and objective measures. The use of multiple measures recognizes the multifaceted nature of firm performance and the advantages in integrating various measures in empirical studies (Lumpkin & Dess, 1996).
Business Model Design and the Performance of Entrepreneurial Firms

According to Zott and Amit (2006) business model is defined as depicting "the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities." That is, a business model elucidates how an organization is linked to, and how it engages in economic exchanges with, external stakeholders in order to create value for all exchange partners. Designing the business model is a salient issue for entrepreneurial firms who are less constrained by path dependencies and inertia than more established firms (Stinchcombe, 1965). Bhide (2000) defines entrepreneurial firms as relatively young organizations that have the potential of attaining significant size and profitability. These firms must solve coordination problems in a world of novelty and systemic change (Langlois, 2005). Their performance therefore often critically depends on boundary-spanning organizational arrangements (Hite and Hesterly, 2001). One of the central design tasks of entrepreneurs is, consequently, to delineate the ways in which their new businesses transact with suppliers, customers, and partners.

As Ireland et al. (2001) note, entrepreneurs often “try to find fundamentally new ways of doing business that will disrupt an industry’s existing competitive rules, leading to the development of new business models.” Christensen (2001), for example, highlighted the shift in the locus of profitability in the computer industry as companies, such as Dell, pioneered non-integrated and flexible business models in which production and distribution were organized in novel ways. Even when entrepreneurial firms replicate the business models of existing organizations (Aldrich, 1999) they may have to adapt these designs to their own particular market niche (McGrath and MacMillan, 2000).

According to Zott and Amit (2006) there are two critical dimensions of business model design, “efficiency-centered” and “novelty-centered” design themes. Efficiency-centered business model design refers to the measures that firms may take to achieve transaction efficiency through their business models. It aims at reducing transaction costs for all transaction participants. Novelty-centered business model design refers to new ways of conducting economic exchanges among various participants. It can be achieved, for example, by connecting previously unconnected parties, by linking transaction participants in new ways, or by designing new transaction mechanisms. These design themes are neither orthogonal (for instance, novel design elements
may engender lower transaction costs), nor are they mutually exclusive: Both may be present in
the design of any given business model. Moreover, the design themes are not exhaustive.
Business models may be characterized by other value-creation themes. These could include
“lock-in,” which refers to designs that attempt to retain stakeholders, and “complementarities,”
which refer to designs that emphasize the bundling of goods, activities, resources, or
technologies (Amit and Zott, 2001).

Entrepreneurs should embrace both efficiency-centered and novelty-centered business model
designs. Indeed, the need for balancing design elements has been recognized by researchers who
highlight the benefits for entrepreneurs of reconciling distinct aspects of design, such as the
familiar and the unfamiliar (Hargadon and Douglas, 2001), conformity and differentiation
(Deephouse, 1999), and reliability and distinctiveness (Lounsbury and Glynn, 2001). Achieving
such balance can help entrepreneurs build much-needed legitimacy (Zott and Huy, 2006), which
can be considered a pre-requisite for venture growth and performance (Zimmerman and Zeitz,
2002).

This line of reasoning suggests that novelty and efficiency can be complementary design themes,
and thus the effect of their interaction on performance could be positive. First, increasing the
degree of novelty of a business model may enhance the return on efficiency-centered design. As
previously discussed, novelty-centered business model design makes a business model more
distinctive, and this may result in increased switching costs for other business model
stakeholders because of fewer comparable alternatives. Hence, by emphasizing business model
novelty, the focal firm may be better positioned to appropriate some of the value it creates
through increased efficiency.

Second, increasing the emphasis on efficiency-centered design may enhance the return on design
novelty. Novel business models that are also designed for efficiency may appeal to a wider range
of customers (i.e., not only to those who are intrigued by its novel elements, but also to those
who appreciate lower transaction and coordination costs). Thus, by simultaneously emphasizing
efficiency and novelty as design themes, the entrepreneur may be able to create even more value
than through either novelty-centered or efficiency-centered business model design alone.
2.2.2 Woman Entrepreneur

A woman entrepreneur is one who owns and controls an enterprise having a share capital of not less than 51 percent as partners/shareholders/directors of private limited company/members of co-operative society. The functions performed by a woman entrepreneur are categorized as risk-bearing, organization and innovation (Band and Bruijne, 1993).

The need to integrate gender concerns in all sectors of the Kenyan economy and in particular MSE sector has gained significance mainly due to the gradual realization that women have been a disadvantaged group in all aspects of development. Though women’s participation in MSEs is increasing, accounting for 48% of all MSE enterprise owners in 1999, gender inequalities still persist (GOK, 2005).

2.2.3 Rationale for Women Entrepreneurship

Over the last ten years, it has been recognized that MSEs have been the major force in job creation, innovation and economic development (Gordon, 2000). Women do not only form majority of the work force in certain sectors of the economy, but their businesses have also influenced in one way or another, the structure of all our economies. Self employment and women in entrepreneurship has also been growing in less developed economies, as a means for women to survive themselves and often times to help support their families (Gordon, 2000). Hence it can be seen that women entrepreneurship is a growing phenomena and has had a significant economic impact in all economies.

Women-owned businesses are making a significant contribution to the Kenyan economy. Their businesses account for about one-half (48 percent) of all MSEs, which contribute around 20 percent to Kenya's GDP. The remaining 52% are men-owned. Of the 462,000 jobs created annually since 2000 in Kenya, 445,000 jobs have come from the informal sector, where 85 percent of women's businesses are found (Economic Survey, 2006).

Promotion of equality of opportunity and elimination of all forms of discrimination based on sex is a fundamental step that provides a necessary and important condition for effective development. According to GOK (2005) women are more vulnerable to chronic poverty because
of gender inequities in the distribution of income, access to productive inputs such as credit, access to and control of property and earned income, multiple roles of women, inadequate access to education and training, as well as gender biases in labour markets.

2.2.4 Concept of Micro and Small Enterprises

There is no generally-accepted definition of a small business because classifying businesses as "large-scale" is a subjective and qualitative judgement. In countries such as the USA, Britain, and Canada, small-scale business is defined in terms of annual sales and the number of paid employees. In Britain, a small-scale business is defined as an industry with annual sales of 2 million pounds or less and with fewer than 200 paid employees. In Japan, small-scale industry is defined according to the type of industry, paid-in capital, and number of paid employees. Consequently, small- and medium-scale enterprises are defined as those in manufacturing with 100 million yen paid-up capital and 300 employees, and those in the retail and service trades with 10 million yen paid-in capital and 50 employees.

In Kenya, "micro-enterprises" are those with 10 or fewer workers, "small enterprises" have from 11 to 50 workers, and "medium enterprises" have from 51 to 100 workers (GOK, 2005). Censuses indicate that micro-enterprises comprise the lion's share of enterprises in Kenya, while there are a few medium enterprises (Parker and Torres, 1994). Small enterprises are almost non-existent. Micro-enterprises are indigenous while the medium-scale and larger manufacturing enterprises are dominated by Asian (Indian) capital.

MSEs operate in all sectors of the economy i.e. manufacturing, trade and service sub sectors. They range from unregistered, also known as Jua Kali enterprises, to the registered (or formalized) small-scale businesses, such as supermarkets, wholesale shops and transport companies. Capital invested in them varies from as little as ten thousand Kenyan shillings (KES) (US$150) to over 5 million Kenya shillings (over US$68,000) depending on the nature of the business. The 1999 National MSE Baseline Survey reports that almost two-thirds of all MSEs are located in the rural areas and only one-third are found in urban areas (even when urban areas are defined to include small rural towns). Of these, about 17 per cent are located in Nairobi and Mombasa.
As regards the scope of the MSE operations, it was reported that close to 70 per cent are in the trade sector. This means that a large proportion of MSEs were involved in buying and selling goods and commodities to generate income. The manufacturing sub-sector accounted for only 13 per cent, services 15 per cent, and the collective group of other service providers, such as bars, hotels and restaurants accounted for 6 per cent, while enterprises in the construction industry were reported to account for less than 2 per cent of the total MSEs in the country (Central Bureau of Statistics, National MSE Baseline Survey, 1999).

According to Michael et al. (2004) MSEs have a propensity to employ more labor intensive production processes than large enterprises. Consequently, they contribute significantly to the provision of productive employment opportunities, the generation of income and, eventually, the reduction of poverty.

According to Economic Survey (2003), employment within the MSE sector increased from 4.2 million persons in 2000 to 5.1 million persons in 2002, accounting for 74.2% of the total persons engaged in employment. The sector contributes up to 18.4% of the country’s Gross Domestic Product (GDP). The MSE sector is therefore, not only a provider of goods and services, but also a driver in promoting competition and innovation; and enhancing the enterprise culture which is necessary for private sector development and industrialization. The MSEs’ performance and competitiveness must therefore be increased if it is to effectively respond to the challenges of creating productive and sustainable employment opportunities, promoting economic growth, and poverty reduction in the country.

The MSEs Sector is fast growing. According to the MSE Baseline Survey (1999) the number of enterprises in the sector has grown from 910,000 in 1993 to about 1.3 million in 1999. Out of the 1.3 million enterprises in 1999, about 66% were located in the rural areas while women owned 48% of the enterprises. According to the Survey, 64.3% of the MSEs in trade, 14.8% in services, 13.4% are in manufacturing while 7.7% are involved in other activities. Apparently, out of the 48% enterprises owned by women 75% are in trade and service sub-sectors.

According to GOK (2005) in order to ensure gender equity, the MSE policy will be gender responsive as it is pro-poor. The policy framework will galvanize the creative and productive
potential of women, who constitute the bulk of the country’s labour force. The Government will pursue gender responsive policies that increase equal access to financial services for both men and women. In addition, the Government will build institutional capacity of Ministries, Parastatals and Government departments for gender integration and promote access to education, technological development and entrepreneurship.

The Government recognizes the need for a gender-mainstreaming framework in all MSE targeted activities. The framework will serve both as a tool to increase awareness of critical gender issues within the MSE development context, as well as an impetus to elicit sector specific gender mainstreaming strategies. The Government will undertake measures to identify gender-related constraints and opportunities that affect equal participation of both women and men at the local, institutional and policy levels. This will entail putting in place a monitoring system that tracks the effects of Government and donor activities on gender relations. Such monitoring system, through consultation with the MSEs and other stakeholders, will be incorporated in the Constitutions of all MSE associations, as well as in the performance monitoring plans of the various MSE programs (GOK, 2005).

In order to address gender disparities, the Government will pursue policies to empower women, increase their access to credit by encouraging them to form SACCOs, promote networking with formal banks and MFIs, and build institutional capacity of support organizations for gender mainstreaming. In addition, the Government in collaboration with the private sector will collect and avail gender-disaggregated data to facilitate gender responsive planning and policy formulation. Other policies will include promotion of women’s access to technology and technical skills and influencing orientation of women away from the traditional activities to production of more marketable and remunerative products; promote women’s access to entrepreneurship development through training; and enhance gender equality in all levels of education. To ensure that women’s concerns are effectively mainstreamed in MSE activities and their participation enhanced, all MSE support programmes and projects will be designed to ensure equal opportunities.
2.2.5 Factors influencing Performance of Women owned Enterprises.

The emergence and development of entrepreneurship is not a spontaneous one but a dependent phenomenon of individual and environmental factors often nomenclatured as supporting conditions to entrepreneurship development. These conditions may have both positive and negative influences on the emergence of entrepreneurship. Positive influences constitute facilitative and conducive conditions for the emergence of entrepreneurship, whereas negative influences create inhibiting milieu to the emergence of entrepreneurship.

According to GOK (2005) despite the critical role played by the MSE sector, it is faced with many challenges and constraints that include unfavorable policy environment and inhibitive legal and regulatory framework; limited access to financial services and markets; inadequate access to skills and technology; insecurity of land tenure; poor access to infrastructure; inadequate business know how and linkages with large enterprises; gender inequality; job quality deficits; limited access to information; impact of HIV/AIDS pandemic; unsatisfactory occupational health and safety standards.

Empirical studies show that women are more vulnerable to chronic poverty because of gender inequities in the distribution of income, access to productive inputs such as credit, access to and control of property and earned income, multiple roles of women, inadequate access to education and training, as well as gender biases in labour markets (GOK, 2005). This study will focus on five main factors: motivation and goals, social learning, human capital, network affiliations and environmental factors.

2.2.5.1 Motivations and Goals

Psychological motivations such as achievement, independence, and locus of control have been widely investigated with regard to their influence on business start-up (Brockhaus and Horwitz, 1986). Fewer studies examined their relationship to business performance (Lerner et al., 1997). U.S. research has found that individual motivations and owner/founder goals are related to performance in women owned businesses, where opportunity motivation was related to survival and independence was associated with "no growth" (Hisrich and Brush, 1987). Other studies indicate few significant performance differences related to male versus female achievement.
motivation or individual self-esteem. Women reported lower levels of self-confidence than did males (Miskin and Rose, 1990). Compared with the United States, the occupational segregation and wage disparities between men and women in Israel are greater (Lerner et al., 1997).

According to Yusof et al. (2007), personality/psychological factors and characteristics such as need for achievement, locus of control, risk taking, tolerance of ambiguity, self-confidence (Begley and Boyd, 1987; Brockhaus and Horwitz, 1986) and innovativeness (Schumpeter, 1934) are associated with entrepreneurship. According to Connie et al. (2005), personality research plays a critical role in the investigation of the entrepreneurial personality and has re-emerged as an important area of interest (Rauch and Frese, 2000) with the individual as the unit of analysis (Korunka et al., 2003).

Kenyan women appear not to be driven by profits but rather, by the need to provide for their families. They see enterprises as a means of setting them free from ‘begging’ from their spouses’ money for the basic necessities of their families – food, clothing and health. What they earn is totally spent for the benefit of the entire family. Another key motivating force for women to become business owners has been identified as interest in helping others (Kibas, 2005).

2.2.5.2 Social Learning Theory

A second theoretical approach emphasizes the role of entrepreneurial socialization, which is anchored in social learning theory (Bandura, 1977) as an explanation of entrepreneurial behavior and career development. Social learning can occur through the observation of behavior in others, often referred to as role models. The individual's socialization process, which occurs in the family setting, transmits social norms, language, educational aspirations, and shapes career preferences through observational learning and modeling (Bandura, 1977).

The utility of social learning theory to explain entrepreneurial career preferences was explored in several studies. The effects of observational learning through perceived parental entrepreneurial role model performance was explored by Scherer et al. (1989). These authors found that the presence of a parent in an entrepreneurial role was associated with increased education and training aspirations, task self-efficacy, and expectancy for an entrepreneurial career. The study also showed that individuals with a parent performing an entrepreneurial role were often high
performers and significantly different from individuals without role models, who were low performers. Similarly, a Canadian study found that 33% of the women entrepreneurs in this sample reported their fathers were entrepreneurs (Belcourt, Burke, and LeeoGosselin, 1991).

One Israeli study did find a clear link between role models (entrepreneurial fathers) and choice of an entrepreneurial career by offspring (Lerner, 1992). These results support the importance of entrepreneurial role models in the backgrounds of practicing entrepreneurs identified in earlier studies (Brockhaus and Horwitz, 1986; Hisrich and Brush, 1984). In the Israeli context, a comparatively small percentage of both men and women are entrepreneurs. The small number of self-employed women suggests women have fewer female role models. Because the expectation for women is to choose a career that is compatible with family life and responsibilities and not to have demanding careers (Azmon and Izraeli, 1994), socialization and norms for women to be entrepreneurs would be minimal.

The status of women in a patriarchal social structure makes women dependent on males in their lives – husbands or fathers – and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship (Kibas, 2005).

According to Kibas (2005), the responsibility of providing for the extended family and relatives is a challenge to women entrepreneurs in Kenya. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide.

2.2.5.3 Network Affiliations

A third perspective views entrepreneurship as embedded in a complex network of social relationships. Within these networks, entrepreneurship is facilitated or constrained by linkages between aspiring entrepreneurs, resources, and opportunities (Aldrich and Zimmer, 1986).
According to this view, the presence or absence of networks, such as access or membership in associations, play a role in influencing performance.

The fact that women entrepreneurs are embedded in different personal and social networks than men, and that divisions and barriers limit the reach and diversity of their networks might have far-reaching consequences for business performance (Aldrich, 1989). The importance of support systems, mentors, and advisors has been documented in earlier research. In particular, business associates and friends were identified as being important to moral support, whereas participation in trade associations and women's groups was related to business guidance (Hisrich and Brush, 1987). Some researchers have stated that access to information and assistance depends on "know-who" (Peterson and Ronstadt, 1987), others arguing that the "old boys" network can be difficult for women to penetrate (Belcourt et al., 1991). Johannisson (1991) argues that the personal network of the entrepreneur is the most important resource of the firm.

The significance of personal contacts as an aid to business development has been validated, with a study showing that strong ties in social networks facilitate the start-up process (Aldrich et al., 1987). Research from Northern Ireland found women's networks as diverse as men's (Cromie and Birley, 1992). These findings were supported in the United States by Aldrich and Elam (1995).

There is evidence that the composition of women's networks is different from men's (Aldrich et al., 1987), and in many countries women are often excluded from social networks or informal networks of information (Brush, 1990). One Canadian study assessing whether women entrepreneurs were creating an old girl's network through business associations found that although the respondents felt belonging to business groups was important, they did not often join due to lack of time (Belcourt et al., 1991). These researchers felt that this infrequent use of assistance sources represented a "lost opportunity to break through the isolation of the glass box." Limited use of mentors by women was found to be a significant inhibitor to successful business development (Carsrud et al., 1986).

In Israel it was noted that occupational segregation in terms of sectors and level of managerial responsibility is prevalent. This implies that women will less often be integrated into certain
networks, for instance in the manufacturing, government, or military sectors. The recent growth of women's associations in Israel suggests women entrepreneurs might be likely to participate in women-only associations as a means to gain moral support. Research shows that in collectivist and informal societies like Israel's, success is dependent on personal contacts and relationships with key individuals who facilitate the start-up (Baum et al., 1993).

2.2.5.4 Human Capital

The human capital perspective proposes that level of education, area of education, previous entrepreneurial experience, previous business experience, and business skills will influence business performance. Cooper (1981) proposed experience and education were "antecedents" to the decisions to start a company and ultimately affected performance. Several studies showed that, years of formal education of the entrepreneur before establishing a new firm were related to eventual performance of the firm (Box, White, and Barr, 1993; Brush and Hisrich, 1991). Box et al. (1993) also found a relationship between higher levels of education and increased performance among manufacturing firms in Oklahoma. Testing the effects of education on business ownership in a longitudinal study, Dolinsky et al. (1993) reported that the levels of staying and reentering a business increased with higher levels of education. They argued that less educated women may face financial or human capital constraints that limited their business pursuits.

Israel women are generally well educated, compared with women in many developing countries; it would follow that women entrepreneurs also would be well educated. Based on the research from developed countries, it is expected that a high level of education would be associated with better performance. Hisrich (1986) stated that the high number of service-oriented businesses (over 90% of the businesses begun by women) reflected the educational focus of women entrepreneurs, which generally consisted of a liberal arts college education. This social sciences or liberal arts educational background might restrict or discourage them from starting ventures in manufacturing, finance, or technology (Birley et al., 1987; Brush, 1990). Statistics in OECD countries indicate that the great majority of women-owned businesses are concentrated in retail trade and service sectors, which are perceived traditional areas of female employment (Brush, 1990).
Although Israeli women have equal access to every course of study and between 40% and 50% of academic concentrations are composed of women, women in fact are underrepresented in engineering and management. This equal access implies that women would be as likely to have degrees in engineering or management as men.

The influence of previous entrepreneurial experience upon the success of small businesses was tested in several studies. Ronstadt (1988) found that longer, more successful entrepreneurial careers were a function of earlier career starts and involvement in multiple ventures. Prior start ups and years of entrepreneurial experience were significantly correlated with performance in a study of 300 manufacturing firms in Tulsa (Box et al., 1993). On the other hand, Miskin and Rose (1990) found that previous ownership experience was not significantly related to profitability of the women in their sample, but it was significant for males. The overall small percentage of self-employed women (5.3%) suggests that the majority of Israeli women entrepreneurs will not have previous start-up experience.

Many studies on women entrepreneurs find that women start ventures in sectors where they have little experience (Lerner et al., 1997). Forty percent of women entrepreneurs in a Canadian study reported they had not worked in a related field prior to venture creation. This lack of experience in a related field was correlated with significantly lower profits (Belcourt et al., 1991). On the other hand, Hisrich and Brush (1984) found that a majority of their sample of 468 women entrepreneurs (64%) tended to start businesses in fields where they had related experience. In a longitudinal study on this sample 5 years later, Brush and Hisrich (1991) found that among the 172 women business owners responding to the second survey, related experience was associated with business growth. They concluded that the "antecedent influences" of the women entrepreneurs did in fact affect business survival and growth.

Kenyan women are typically employed in services and retailing, as they suffer from occupational and sectoral segregation, implying that previous experience of women entrepreneurs would be predominantly in these areas. Statistics show that women business owners are more frequently located in the non-sponsored segment of the market, which is typically service related (kibas, 2005). Therefore, women entrepreneurs would likely have greater knowledge of the industries of their ventures, as well as competitive aspects important to success.
The importance of business skills, particularly strength in idea generation and dealing with people, was found to be related to performance in Brush and Hisrich's (1991) longitudinal study. Since business skills are related to stage of business development, it is argued that women face challenges of learning business skills early in the life cycle of their business and are therefore less profitable than in later stages when they are more competent in business skills (Miskin and Rose, 1990).

Studies investigating business planning skills are mixed; some showing business planning skills related to success and others showing it do not make a difference. Whereas a recent meta-analysis of 14 research studies confirmed a relationship between planning and performance (Schwenk and Shrader, 1993), these studies focused on the organizational level planning processes rather than the expertise or gender of the individual owner/founder.

According to Kibas (2005) Lack of sufficient education and training for women is an impediment to micro-enterprise success. Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which tends to affect effective performance in later life.

2.2.5.5 Environmental Influences

Environmental influences presume that factors including the differential structure of opportunity, location, sectoral activities, and sociopolitical variables (i.e., availability of government assistance) are critical determinants of performance. Economic measures of venture profitability, revenues and number of employees are related to environmental economic conditions, such as the market structure, regional opportunities, investment climate, availability of labour, and other features (Gibb, 1988). Similarly, resource availability, including venture capital, technical labour force, loans, support services, and a favourable entrepreneurial subculture are also a major influence on performance (Bruno and Tybjee, 1982).

Availability of sufficient start-up capital is reported to be one of the most important environmental factors influencing success and profitability of new ventures (Brophy, 1989). A study of 346 entrepreneurs who utilized a Washington SBDC found no significant differences between male and female perceptions of access to start-up capital (Miskin and Rose, 1990).
Related studies of women's access to bank loans indicate that although women are able to obtain outside financing, they faced perceptual barriers that they were less capable than their male counterparts (Fay and Williams, 1993).

In Kenya, most women who venture into businesses and need financing lack the needed collateral to enable them secure bank loans. Responsibility of women entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification (Kibas, 2005). Environmental factors differentially affect the type of business and vary by industry sector.

Historically, women-owned businesses have been concentrated in retail sales, personal, and educational services (Kalleberg and Leicht, 1991). The U.S. Small Business Administration (1986) reports that in 1982 nearly half of all women entrepreneurs participated in service industries and another 30% were in retail trade. A Canadian survey found that the retail sector tended to be overrepresented by women entrepreneurs (Belcourt et al., 1991). Even though both retailing and services generally have smaller returns and labor intensity, these sectors are generally easy to enter because of comparatively small capital investments. Companies in the service and trade industries generally have lower growth rates and profitability and often confront greater competition (Kalleberg and Leicht, 1991).

According to Kibas (2005) many women are unaware of specific support mechanisms, including sources of funding for the income generation activities. In the absence of coordinated effort among the key stakeholders including the government, these entrepreneurs will continue to suffer 'eking' a living at survivalist level only. This is coupled with the reluctance of the formal public institutions to help women in micro- and small-scale enterprises.

Based on these five theoretical perspectives, an integrated model was developed (see Figure 2.1). These five perspectives and the demographic variables comprise the individual level variables, which are expected to be differentially associated with performance. Although it is recognized that the organizational strategies and goals of organizations will also affect performance, these are not the focus of this study.
2.3 Empirical research

Motivation is an important factor in the decision to start a business. According to GEM (2005) more than 97 percent of the respondents are involved in entrepreneurial activities out of two primary reasons - opportunity and necessity. Opportunity entrepreneurship reflects the desire to take advantage of an entrepreneurial opportunity when employment alternatives are available. Nearly 25% of women choose entrepreneurship out of necessity versus nearly 20% of men (GEM, 2005). The number of women who choose entrepreneurship because of necessity is concentrated in low-income countries. Thus, for women, entrepreneurship may represent an important means of circumventing unemployment, and in some countries, a way out of poverty.

The study shows that women in low-income countries start businesses out of necessity often because of the lack of employment in the formal labour market. Women in high-income countries start businesses in high paying fields even when other job options are available or as a life-style choice, owing to their high educational attainments. Women in countries with per capita income between $10,000 and $25,000 prefer employment over self-employment. Interestingly, among the countries considered in the sample, the highest rates of female business owners are found in Thailand and China, and this mirrors similar findings with respect to male entrepreneurs. The lowest rates are found in Mexico and South Africa. Nonetheless, female (and male) entrepreneurship is riskier in poorer and growing economies.

Countries which have healthy and diversified labor markets or stronger safety nets show a more favorable ratio of opportunity to necessity-driven women entrepreneurs. According to Minniti (2010) in lower income countries, relatively more women choose entrepreneurship out of necessity. When countries grow, the level of schooling and other benefits such as health care improve. Women find easier job alternatives and there are opportunities to work in large established companies or the public sector with a more structured environment with known hours." In low-income countries, the rate of opportunity entrepreneurship is 1.7 times that of necessity entrepreneurship; in middle-income countries, the rate of opportunity entrepreneurship is 3.8 times that of necessity.
Opportunity entrepreneurship in high-income countries is six times that of necessity entrepreneurship. For example, in Iceland for every woman motivated by necessity, there are 18 women involved in starting a new business because of opportunity.

Several empirical studies suggest that differences among countries in entrepreneurial activity can be explained by cultural and/or economic factors. Comparing entrepreneurs and managers from the United States and China, researchers found that the attitudes and values of both American and Chinese entrepreneurs were more closely aligned with the American culture and values than with the Chinese. Others have argued that new firm creation is not just about economics but it is embedded in a specific culture. Generally, a positive association exists between freedom and entrepreneurial activity.

According to Minniti (2010) the peak years to become involved in entrepreneurial activities for women in low and middle-income countries, is age 25-34. In high-income countries, the peak years are ages 35-44. In richer countries there seems to be a tendency for older women to get involved. Opportunity startups in richer economies are more likely to require more education, experience, and better networking.

Regardless of country, the majority of women (and men) involved in starting a new business, hold other jobs. Self-employed women have either very short or very long work weeks. A first group includes women who enter self-employment to take advantage of time flexibility and combine work and family commitments; the second group includes women who enter self-employment to promote their careers and their income streams.

Countries with high women's entrepreneurial activity also reveal more positive responses concerning the existence of opportunities. The perception of opportunities is influenced by the environment in which people live and work, and the task of new business formation requires personal perseverance and self-confidence. Studies in the psychology literature stream have established the importance of confidence in one's skills and ability for entrepreneurial behavior (Minniti, 2010).

Women are more risk averse than men, and it varies across countries. Women in all countries in the GEM sample (except Japan) report fear of failure more often than men. For example, 41 % of
men in both Argentina and Germany state that fear of failure would prevent them from starting a business; women make that statement more than men in both countries. However, the gender gap is much more pronounced in Germany than in Argentina (54% versus 48% of women, respectively). Women in middle-income countries, on average, tend to be more skeptical of starting a new business as a viable income producing activity.

Entrepreneurs do not act in a vacuum. Both male and female entrepreneurs rely on role models and social networks for information and access to resources. Thus, it is important to note that women, on average, seem less networked than men and, in some cultures, have access to fewer social resources. Not surprisingly, men's networks included very few women, whereas women's networks were more likely to include men. Both male and female attributes are required in business. Women are very strong at negotiating, achieving goal-congruence and consensus-forming (Minniti, 2010).

The networks women rely upon operate quite differently from the networks men rely on. Thus, the position of the woman entrepreneur within the larger community is important because it affects her ability to observe role models and to acquire resources. Women in low-income countries often have significantly smaller networks and less geographical mobility. They construct relatively personal but strong social ties that allow them to partially substitute these personal network relationships for formal legal contracts. In general, women seem to forge egalitarian coalitions and long-term relationships based on emotional ties, whereas men tend to form hierarchical coalitions and short-term relationships based on mutual interest and weak ties. Women are organization builders because they build communities, and that in itself is invaluable (GEM, 2005).

Importantly, social capital is a robust predictor for the likelihood of starting a business and for advancing successfully through the start-up process. A study of Ghana, for example, suggests that female entrepreneurs tend to have more difficulties in accessing bank financing but they compensate by cultivating social relationships and using the social capital as a resource-leveraging mechanism.
Family considerations matter more for women's entry into self-employment than men's. Women see entrepreneurship as a way of achieving a better balance than that provided by wage labour, offering more time flexibility and more options to balance work and family. Given that women may choose self-employment to balance work and family, earnings across genders is more sensitive to differences in family size among the self-employed than in formal labor markets. The gender gap in entrepreneurial earnings may be partially explained because of differences in the types of businesses men and women start. Also women businesses tend to be mostly in consumer-oriented sectors which offer less pay than technology and services where men businesses are predominant.

Women entrepreneurs measure success in terms of self-satisfaction, which is of greater importance to them than financial profitability and growth. Several studies have confirmed independence and personal freedom, security, and satisfaction to be more important for women than financial performance. Women and men have fundamentally different socialization experiences that result in the development of unique capabilities; their strategic choices are shaped by these experiences.

Studies showed that women-owned businesses had fewer initial resources and were launched on a smaller scale. Women were also more likely than men to develop strategies that emphasized cost efficiency and profitability. On average, men owned businesses are twice as large as their female counterparts. Smaller size and slower growth rates are often perceived as problems, and it is assumed that women would want to expand their businesses if they could.

However, much of this cross-gender variation is due to differences in sectors, family issues and life-style choices. In low- and middle-income countries, women are more highly represented in consumer-oriented business activity. Alternatively, women in high-income countries have higher numbers in business services.

Overall, women's businesses show many of the same patterns as those of their male counterparts with respect to innovative and competitive potential. The majority of women's businesses offer products or services that are not new to customers. Most women entrepreneurs say that they
expect to face many competitors in their market. This share is even higher for established women business owners (65.5%) than for early-stage women entrepreneurs (49%).

Key issues facing new and growing women-owned enterprises in the United States include access to capital, access to information, and access to networks. In Korea, women business owners experience financing and the effort to balance work and family as their most difficult tasks. Indonesian women entrepreneurs on the other hand, have difficulties in exporting their product overseas and in increasing the volume of production, both of which are of importance for their competition in the global market (Gordon, 2000). Lee-Gosselin and Grise (1990) as cited in Maysami et al. (1999) found that in general, the most common start-up problems seem to be lack of capital. Also important was lack of confidence in female business owners' abilities on the part of banks, suppliers, and clients alike, as well as family issues.

Additional problems, such as marketing and labour difficulties and disagreement with associates, may arise after the start-up phase. In an earlier study, Stoner, Hartman, and Arora (1990) as cited in Maysami et al. (1999) found that the work-home conflict – the tension caused by the dual responsibility of managing a business and maintaining a family to be the main stumbling block for female business owners.

In a study by Barwa (2003) on women entrepreneurs in Vietnam, the author found that women face additional handicaps due to the prevailing social and cultural gender-based inequalities and biases.

For instance, the barriers that women entrepreneurs face in accessing credit from formal institutions is magnified in view of their limited access to formal education, ownership of property, and social mobility. Other aspects of unequal access to opportunities and markets include business experiences, limited knowledge of marketing strategies, weak business associations, lack of networking facilities, and poor access to education and training programmes.

In a study by Karim (2001) on women entrepreneurs in Bangladesh, financial problems were the most common problems faced by their women entrepreneurs. Inadequate financing was ranked first, particularly so in rural areas and among small economic units (fewer than 5 workers), all
the more so with those located in the household and unregistered sectors. Competition, obtaining quality raw materials, and balancing time between the enterprise and the family were ranked as major start-up problems.

In Uganda (UNIDO, 2003) women entrepreneurs in rural areas suffer from a lack of training and advisory services that would allow them to upgrade their managerial and technical skills and solve immediate production problems, thus improving productivity and increasing profitability. In Uganda, where more than 70 percent of enterprises employ less than 20 people, micro- and small enterprises play an important role in the economic and social life of the majority of citizens. However, the growth and the competitiveness of this sector are hampered by a lack of managerial and technical skills, weak infrastructure, difficulties in accessing loans, and complicated company registration processes.

In Rwanda, a post-conflict area, women entrepreneurs’ immediate needs for sustaining the family mount tremendously when the supply of goods and services ceases and traditional community help schemes collapse due to the restricted mobility and security. It was necessary to restore women’s self-help initiatives and increase their business potential, especially in small food processing (UNIDO, 2003).

Women entrepreneurs in Morocco faced a lack of operational and managerial skills resulting in low productivity and competitiveness. Cultural constraints are an additional obstacle that inhibits the efficient conduct of business for women. Inefficient production mechanisms and a lack of managerial skills resulted in a loss of productivity and income for the women entrepreneurs (UNIDO, 2003).

A study by Richardson, Howarth and Finnegan (2004) on women entrepreneurs in Africa reveals that many women entrepreneurs in Africa feel they lack abilities, skills and expertise in certain business matters. Many of the issues mentioned appear to relate to women’s relative lack of exposure to the world of business. In addition to this lack of exposure, women’s business networks are poorly developed as social assets. This in turn impacts on a range of factors that adversely affect the women entrepreneurs at all levels. It is grounded in women’s gendered experiences of education and work and, due to the demands of their reproductive and household
roles, their lack of key dedicated “time” to be able to explore and nurture their own resources. Their access to the essential abilities, skills and experiences for business is also adversely affected by various constraints on their mobility, often due to their dual (household) and triple (community) roles and responsibilities. In a more general way, society’s views are largely negative about women entrepreneurs who associate and network with others in business.

Women entrepreneurs of Africa also face constraints and barriers to obtaining money to start and grow their own business. Women’s inexperience of negotiating with the banks and their lack of financial confidence to argue for what they are entitled to, are some of the problems they face in obtaining loans.

Hookimsing and Essoo (2003) identified four main obstacles faced by women entrepreneurs in Mauritius: i) the hassle of getting permits; ii) the lack of market; iii) the ability to raise capital; iv) not being taken as seriously as men. Several national and international reports have pointed out that enterprise creation is hampered by a number of administrative procedures in Mauritius.

A study by Soyeon Shim and Eastlick (1998) on Hispanic female business owners identified 10 business problem areas: sales and profit forecasting; obtaining lines of credit; capital management; working capital management; pricing strategies; customer database management; short-term business planning; labour cost analysis; managing debt; and gender problems. Whilst many of these problems seem to be synonymous across the Asian and African countries in the study, there are some problems which are significantly prevalent only in certain countries.

In Kenya, women entrepreneurs see the establishment of a productive business as a means to improve their status in society as well as their family’s standard of living and to serve their community by creating employment opportunities. However, due to a lack of technical skills, confidence, strong individual involvement and the willingness to take risks, women are often unable to establish and sustain successful businesses (UNIDO, 2003).

2.4 Overview of Literature Review
This chapter has presented a review of literature on factors influencing the performance of women-owned enterprises. It is reviewed in two parts: theoretical review and empirical review.
The theoretical review has explored the theories brought forth by scholars and their influence on the performance of women owned enterprises. Individual motivations and goals, social learning, network affiliations, human capital, and environmental influences are the five factors that strongly influence performance of women owned enterprises.

The empirical review focused mainly on past experiences and practical situations that are relied on to manifest how several factors interplay to influence performance of women owned enterprises. The review categorically indicates how individual motivations and goals, social learning, network affiliations, human capital, and environmental influences, affect performance of women owned enterprises.

The literature review exposed a gap that this study seeks to fill. Most studies have been conducted researching factors that influence performance of women owned enterprises but the extent of the influence has not been researched. This study will find out the extent to which individual motivations and goals, social learning, network affiliations, human capital, and environment, influence the performance of women owned enterprises in Thika district.
2.5 Conceptual Framework

Social Learning Theory
- Father entrepreneur (y/n)
- Economic status at childhood

Human Capital
- Education level
- Education area
- Previous occupation
- Previous entrepreneurial experience
- Previous employment
- Experience in industry
- Involvement in start up
- Business skills
  - Planning
  - Areas of strength

Motivation & Goals
- Achievement motivates
- Independence motivates
- Economic necessity motivates
- Goals

Networks
- Number of networks
- Use of advisors
- Membership in women’s associations
- Mentors

Environmental factors
- Industry sector
- Sources of finance

Business performance
- Revenues/sales
- Income
- Profitability
- Number of employees

Figure 2.1: Women Owned Enterprise Performance Model (2011)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the methodological approach to the study. It focuses on the study design, study location, population, sampling techniques to be used, the sample size and sampling procedures to be followed. It also describes data collection tools, method of data analysis, tools for data analysis and procedure for data presentation.

3.2 Research Design
Descriptive design was used in this research. Kombo and Tromp (2006) recommend the use of this design when investigating peoples' attitudes and views. Descriptive design is useful where it is not possible to test and measure the large number of samples needed for more quantitative types of experimentation. It is a precursor to quantitative research designs.

3.3 Target Population
The target population was 1,786 MSEs in Thika district. The enterprises were owned wholly by women or had a share capital of not less than 51 percent as partners/ shareholders/ directors.

3.4 Sampling Design and Size
Systematic purposive sampling was used to select a sample of 180 out of the 1,786 MSEs owned by women. This was slightly above the recommended 10% made by Gay (1976). This was to ensure that all types of enterprises are captured.

<table>
<thead>
<tr>
<th>Target group</th>
<th>population</th>
<th>Percentage of population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women owned MSEs</td>
<td>1786</td>
<td>10%</td>
<td>180</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1786</td>
<td></td>
<td>180</td>
</tr>
</tbody>
</table>

(Source: Researcher, 2011)
3.5 Data Collection Instruments

Questionnaires were used for data collection and were organized to capture demographic details and also provide information as per the objectives of the study. They were administered to all members of the sample population. The researcher employed the drop and pick method in order to increase the response rate from the respondents.

3.5.1 Validity and Reliability of the Research Instruments

Pilot study was done on randomly selected women owned small and micro enterprises within the district. This helped to clarify and remove questions that were ambiguous or not clear. Borg and Gall (1989) assert that content validity of an instrument is improved through expert judgement and as such the researcher sought assistance of the university supervisor to find out whether the instruments measured what they intended to measure. Reliability was measured by Cronbach Alph coefficient. All items in the questionnaire with values closer to 1.0 were accepted. Hence the researcher used 0.7 as cut off.

3.6 Data Collection Procedures

Data was collected from both primary and secondary sources. Primary data was collected through questionnaires. The researcher personally administered the questionnaires. Secondary data was collected from publications such as journals, books and relevant internet sites and it was used to compliment the responses collected in the field. A visit was made to the enterprises to develop rapport with the women entrepreneurs and to give them instructions on how to fill in the questionnaires as well as issue the data collection instruments.

3.7 Data Analysis

The research generated both qualitative and quantitative data. The questionnaires were picked, studied, edited; data coded and related themes classified together for analysis. All analysis was done using descriptive statistics with the aid of Statistical Package for Social Science (SPSS). Summaries of the data were classified according to the research objectives. The summary of findings was presented using pie charts, bar graphs and frequency tables.
CHAPTER FOUR
DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the field research. It is organized along the research objectives namely

i. To find out the extent to which motivations and goals influence performance of women entrepreneurs in micro and small enterprises in Thika district.

ii. To investigate the extent to which social learning influences performance of women entrepreneurs in micro and small enterprises in Thika district.

iii. To find the extent to which network affiliations influence performance of women entrepreneurs in micro and small enterprises in Thika district.

iv. To assess the extent to which human capital influence performance of women entrepreneurs in micro and small enterprises in Thika district.

v. To establish the extent to which environmental factors influence performance of women entrepreneurs in micro and small enterprises in Thika district.

This chapter also discusses the results of the study. The research was carried out on 1,786 women who own MSEs in Thika district. For women entrepreneurs to participate in the research, they had to have 100% control of the MSE, or having a share capital of not less than 51 percent as partners/shareholders/directors.

High Response Rate

Out of the target sample of 180 questionnaires, 180 were issued out to the respondents. All the questionnaires were filled and collected, representing a 100% response rate. This extraordinary response rate is explained by the nature of the procedure of issuing the questionnaires to the selected respondents, as the researcher created a good relationship with the women entrepreneurs through the ministry of gender officer and the ministry of youth officer in Thika. Data collection instruments consisted of questionnaires. The questionnaires had mainly closed ended questions.
4.2 Respondents' Profile

This section provides information on the demographic characteristics of the respondents. The analysis focused on age, marital status, Family size and level of education of the respondents. This background of the respondents may influence their opinions on the factors influencing performance of women owned MSEs.

4.2.1 Age Bracket

Figure 4.1 illustrates that 75.6% of the respondents are in the age bracket 25 – 34 years of age, 18.9% in 35-44 age bracket and 5.6% were above 44 years of age. The results show that the study population is, in general, youthful. This shows that many youth have turned to entrepreneurship as an alternative form of employment. According to Minniti (2010) the peak years to become involved in entrepreneurial activities for women in low and medium-income countries is age 25-34. This supports these results as Kenya is a low income country.

![Figure 4.1: Age distribution of respondents](image)

Table 4.1 illustrates that majority of the respondents were single, 51.7%, 46.6% were married and a paltry 2.2% were separated. Marital status may influence performance of the businesses either due to support by husbands or lack of their support.

4.2.2 Marital Status

Table 4.1 illustrates that majority of the respondents were single, 51.7%, 46.6% were married and a paltry 2.2% were separated. Marital status may influence performance of the businesses either due to support by husbands or lack of their support.
Table 4.1: Marital status distribution of respondents

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>93</td>
<td>51.7</td>
<td>51.7</td>
<td>51.7</td>
</tr>
<tr>
<td>Married</td>
<td>83</td>
<td>46.1</td>
<td>46.1</td>
<td>97.8</td>
</tr>
<tr>
<td>Separated</td>
<td>4</td>
<td>2.2</td>
<td>2.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.3 Family Size

Figure 4.2 show that most of the respondents had a family of less than 3, with 80.6%. Those with a family of more than 3 and less than 5 were a paltry 13.5% and 5.9% had a family of more than 5. Entrepreneurship is quite demanding and entrepreneurs work for many hours, thus most of the women in business have small families.

![Figure 4.2: Family Size distribution of respondents](image)

4.2.4 Level of Education

Table 4.2 illustrates that majority of the respondents (69.4%) had college education, followed by 23.9% who had university education and the least, 6.7% had secondary education.
Table 4.2: Level of Education distribution of respondents

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary</td>
<td>12</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>College</td>
<td>125</td>
<td>69.4</td>
<td>69.4</td>
<td>76.1</td>
</tr>
<tr>
<td>University</td>
<td>43</td>
<td>23.9</td>
<td>23.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Most of the women had college education unlike findings of other researches. According to Kibas (2005) Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which tends to affect effective performance in later life.

4.2.5 Type of Business

The study sought to establish the type of businesses the women owned. Figure 4.3 illustrates that majority of the respondents had retail businesses (55%), while the rest, 45%, had service businesses. Women shy away from manufacturing and technology for they lack the skills to run these businesses.

Hisrich (1986) stated that the high number of service-oriented businesses (over 90% of the businesses begun by women) reflected the educational focus of women entrepreneurs, which generally consisted of a liberal arts college education. This social sciences or liberal arts educational background might restrict or discourage them from starting ventures in manufacturing, finance, or technology (Birley et al., 1987; Brush, 1990). Statistics in OECD countries indicate that the great majority of women-owned businesses are concentrated in retail trade and service sectors, which are perceived traditional areas of female employment (Brush, 1990).
Figure 4.3: Type of business

4.2.6 Number of Employees

Further the research revealed that most of the MSEs had one employee who was also the owner of the MSE. Figure 4.4 confirms that majority of the women owned businesses (45%) had one employee, who is the owner, while 28.3% had 2 employees, 14.4 had 3 employees, 5.6 had 4 employees and 6.7% had 6 employees. Generally women owned business in Thika district are very small and run by the owner. It is worth noting that, in this study the number of employees signifies the size of the business with those with more employees being considered as better performing.

Figure 4.4: Number of employees
Influence of Type of Business on Performance

The respondents were asked if the type of their business affected the performance of the MSE. Table 4.3 illustrates that 56.1% saw no connection between performance and type of business, while 28.3% agreed that the type of business do influence performance, however, 10% of the respondents were not sure type of business has any influence on the performance. Women owned businesses are in the retail and service industry which requires less capital while the earnings are low and they face more competition yet the women are not aware of this.

Table 4.3: Influence of Type of Business on Performance

<table>
<thead>
<tr>
<th>Influence of Type of Business</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>88</td>
<td>48.9</td>
<td>56.1</td>
<td>56.1</td>
</tr>
<tr>
<td>Yes</td>
<td>51</td>
<td>28.3</td>
<td>32.5</td>
<td>88.5</td>
</tr>
<tr>
<td>Not sure</td>
<td>18</td>
<td>10.0</td>
<td>11.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>87.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>23</td>
<td>12.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Age influence on Performance of Women Owned Enterprises

The study sought the views of the respondents on the influence of age on performance of MSEs. Table 4.4 shows that 24.4% of the respondents said that age greatly influences performance, 35% said age has a moderate influence, 25% felt age has low influence and 15.6% said it has no influence at all. It is clear that majority, 69.4% agree that age influences performance. According to Minniti (2010) the peak years to become involved in entrepreneurial activities for women in low and medium-income countries is age 25-34. This age believes in making a lot of money while young and that entrepreneurship is the source of great wealth.

Table 4.4: Extent to which age influence performance

<table>
<thead>
<tr>
<th>Influence of Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>28</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
</tr>
<tr>
<td>Low</td>
<td>45</td>
<td>25.0</td>
<td>25.0</td>
<td>40.6</td>
</tr>
<tr>
<td>Moderate</td>
<td>63</td>
<td>35.0</td>
<td>35.0</td>
<td>75.6</td>
</tr>
<tr>
<td>Great</td>
<td>44</td>
<td>24.4</td>
<td>24.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>
Influence of Marital Status on Performance

The study sought to identify what influence marital status has on performance of MSEs. The respondents were asked if their marital status influenced the performance of their MSEs. Table 4.5 indicates that most of the respondents, 47.2%, agreed that marital status influence performance to a great extent, 31.7% said it has moderate influence, while 21.1% felt it had no influence. This shows that marital status influence performance of the women owned MSEs possibly due to the cultural beliefs that have to women seek support and direction from their husbands.

The status of women in a patriarchal social structure makes women dependent on males in their lives – husbands or fathers – and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship (Kibas, 2005).

Table 4.5: Extent to which marital status influence performance

<table>
<thead>
<tr>
<th>Influence of Marital Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>38</td>
<td>21.1</td>
<td>21.1</td>
<td>21.1</td>
</tr>
<tr>
<td>Moderate</td>
<td>57</td>
<td>31.7</td>
<td>31.7</td>
<td>52.8</td>
</tr>
<tr>
<td>Great</td>
<td>85</td>
<td>47.2</td>
<td>47.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Factors Influencing Performance of Women Owned MSEs

This section provides findings and discussion on the factors influencing performance of women owned MSEs other than demographics. The section is divided into the five factors investigated: motivations and goals, social learning, network affiliations, human capital and environmental factors.

4.3.1 Motivations and Goals

The researcher expected motivations and goals to have a significant influence on business performance. The respondents were asked if their personal motivations and goals influenced how their MSEs performed, Table 4.6 shows that majority, 65.6% said motivations and goals greatly
influenced performance, 27.8% said it had moderate influence while 6.7% said it had low influence on performance. Some of the motives include, lack of employment, to gain independence and seeking achievement. Many women start businesses to be in a position to feed and clothe their children, growth is not a motive.

Table 4.6: Individual motivations influence on performance

<table>
<thead>
<tr>
<th>Influence of Individual Motivations</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>12</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Moderate</td>
<td>50</td>
<td>27.8</td>
<td>27.8</td>
<td>34.4</td>
</tr>
<tr>
<td>Great</td>
<td>118</td>
<td>65.6</td>
<td>65.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.5 illustrates that most women, 37%, start businesses to gain independence, 34% start businesses due to lack of employment while the least, 28% start businesses as personal achievement. Women start businesses so as to stop dependence on their husbands. According to Minniti (2010) in lower income countries, relatively more women choose entrepreneurship out of necessity.

Figure 4.5: Reason why women start businesses

The researcher sought to know the goals the women entrepreneurs had for the next 2-4 years, in regard to their businesses. In table 4.7, 88.9% seek to grow their businesses while 11.1% seek independence. This shows that given the right conditions, women would grow their businesses.
This contrasts other researches. According to Kibas, (2005) Kenyan women appear not to be driven by profits but rather, by the need to provide for their families.

<table>
<thead>
<tr>
<th>Business Goal</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>160</td>
<td>88.9</td>
<td>88.9</td>
<td>88.9</td>
</tr>
<tr>
<td>Independence</td>
<td>20</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7 Business goal you have for the next 2 - 5 years

4.3.2 Influence of Social Learning on Performance

The research sought whether social learning influenced performance of MSEs. The respondents were asked if role models enhance performance of women entrepreneurs. Table 4.8 indicates that 84.4% agree that role models enhance performance while 15.6% disagree.

<table>
<thead>
<tr>
<th>Role Model or no Role</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>28</td>
<td>15.6</td>
<td>15.6</td>
<td>15.6</td>
</tr>
<tr>
<td>Yes</td>
<td>152</td>
<td>84.4</td>
<td>84.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.8 Women who have role models become better entrepreneur

When asked to what extent role models influence the MSEs’ performance, table 4.9 shows that 52.2% said role models greatly influence performance, 25.6% indicated moderate influence, 12.2% said they have low influence and 7.8% said they had no influence at all. Role models influence performance of businesses. Entrepreneurs with role models record better performance. Women whose fathers were entrepreneurs have high confidence and self efficacy, qualities that are necessary in entrepreneurship.
Table 4.9 Extent to which role models influence performance

<table>
<thead>
<tr>
<th>Influence of Role Model</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>14</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Low</td>
<td>22</td>
<td>12.2</td>
<td>12.5</td>
<td>20.5</td>
</tr>
<tr>
<td>Moderate</td>
<td>46</td>
<td>25.6</td>
<td>26.1</td>
<td>46.6</td>
</tr>
<tr>
<td>Great</td>
<td>94</td>
<td>52.2</td>
<td>53.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>97.8</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>4</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Influence of Childhood Economic Status on Performance

Table 4.10 indicates that majority of the respondents, 64.4% answered that childhood economic status greatly influence performance of women owned MSEs while 35.6% felt that childhood economic status moderately influence performance of women owned MSEs. Many women, especially those in rural areas, were brought up in hard economic situations and join entrepreneurship to ensure that they give their own children a better life.

Table 4.10: Extent to which childhood economic status influence performance

<table>
<thead>
<tr>
<th>Influence of Childhood Economic Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>64</td>
<td>35.6</td>
<td>35.6</td>
<td>35.6</td>
</tr>
<tr>
<td>Great</td>
<td>116</td>
<td>64.4</td>
<td>64.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Influence of Cultural factors on performance

The researcher sought to know whether cultural factors influence performance of MSEs. The respondents were asked to say if they strongly disagreed, disagreed, were not decided, agreed or greatly agreed that cultural factors influence the performance of their businesses.

Figure 4.6 illustrates that 29% strongly disagreed that cultural factors influence the performance of their businesses, 6% disagreed, 6% were not decided yet most women entrepreneurs (39%) agreed that cultural factors influence performance of their MSEs and 21% strongly agreed that
cultural factors influence performance of their MSEs. In the African culture a woman’s place is in the kitchen and women are not expected to work away from their homes neither are they expected to be away from home for long hours. This affects performance of women owned MSEs because entrepreneurs have to work for long hours for better performance of their businesses.

Figure 4.6: Influence of Cultural factors on performance

The results illustrate that social learning greatly influence performance of women entrepreneurs MSEs. The effects of observational learning through perceived parental entrepreneurial role model performance was explored by Scherer et al. (1989). These authors found that the presence of a parent in an entrepreneurial role was associated with increased education and training aspirations, task self-efficacy, and expectancy for an entrepreneurial career. The study also showed that individuals with a parent performing an entrepreneurial role were often high performers and significantly different from individuals without role models, who were low performers. Cultural constraints are an additional obstacle that inhibits the efficient conduct of business for women.

4.3.3 Network Affiliations

The research sought to establish the extent to which network affiliations influence performance of women owned MSEs. The respondents were asked if they had business mentors. Table 4.11 illustrate that 56.7% of the respondents have business mentors while 43.3% do not have business mentors. Business associates and mentors are important for moral support and business guidance.
There is not enough women mentorship because only few of their own (women) are established business women.

Table 4.11: Women Entrepreneurs with Business Mentors

<table>
<thead>
<tr>
<th>Business Mentor or no Business Mentor</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>78</td>
<td>43.3</td>
<td>43.3</td>
<td>43.3</td>
</tr>
<tr>
<td>Yes</td>
<td>102</td>
<td>56.7</td>
<td>56.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

When asked to what extent did business mentors influence performance of their MSEs, (table 4.12) 52.2% indicated that mentors greatly influenced performance, 25.6% indicated moderate influence, 12.2% said they had low influence and 7.8% said they had no influence at all. Having an active mentor can be all a woman needs to develop her entrepreneurship skills. Mentors give advice when the up coming entrepreneur is in difficult situations. Limited use of mentors by women is an inhibitor to successful business development.

Table 4.12: Extent to which role models influence performance

<table>
<thead>
<tr>
<th>Influence of Role Model</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>14</td>
<td>7.8</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Low</td>
<td>22</td>
<td>12.2</td>
<td>12.5</td>
<td>20.5</td>
</tr>
<tr>
<td>Moderate</td>
<td>46</td>
<td>25.6</td>
<td>26.1</td>
<td>46.6</td>
</tr>
<tr>
<td>Great</td>
<td>94</td>
<td>52.2</td>
<td>53.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>97.8</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>4</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Membership in Business Associations

The respondents were asked if they had membership to business associations. Majority of the respondents (57.2%) were not members of any business associations, only 42.8% were members (table 4.13). Many women entrepreneurs know the importance of business associations but they do not join due lack the time.
Table 4.13: Women entrepreneurs who are members of business associations

<table>
<thead>
<tr>
<th>Member or no Member</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>103</td>
<td>57.2</td>
<td>57.2</td>
<td>57.2</td>
</tr>
<tr>
<td>Yes</td>
<td>77</td>
<td>42.8</td>
<td>42.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The researcher asked if women lacked the mobility required in networking, in table 4.14, 55% of the respondents said that women lack the mobility required in networking while 45% indicated that they did not lack the mobility required. This shows that times are slowly changing and women are able to get out of the confines of their homes to network. However, only a few are able to, yet access to information and assistance depends on “know who”.

Table 4.14 Women lack mobility

<table>
<thead>
<tr>
<th>Women lack mobility or not</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>81</td>
<td>45.0</td>
<td>45.0</td>
<td>45.0</td>
</tr>
<tr>
<td>Yes</td>
<td>99</td>
<td>55.0</td>
<td>55.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Lack of Networks Lead to Low Performance

The research sought to determine if lack of networks resulted in low performance. From figure 4.7, majority of the respondents, 41% agreed that lack of networks lead to low performance of their MSEs, 29% strongly agreed, 14% were undecided, 8% disagreed and 8% strongly disagreed. This shows that women’s lack of networks influence the performance of their businesses negatively.
Figure 4.7: Lack of networks lead to low performance

The results are similar to other researches. The importance of support systems, mentors, and advisors has been documented in earlier research. In particular, business associates and friends were identified as being important to moral support, whereas participation in trade associations and women's groups was related to business guidance (Hisrich and Brush, 1987). In many countries women are often excluded from social networks or informal networks of information (Brush, 1990). One Canadian study assessing whether women entrepreneurs were creating an old girl's network through business associations found that although the respondents felt belonging to business groups was important, they did not often join due to lack of time (Belcourt et al., 1991).

4.3.4 Human Capital

The research sought to establish the extent to which human capital influence performance of women owned MSEs. Variables used include level of education, education area, entrepreneurial experience, previous occupation, involvement in start up and acquisition of key business skills.

Influence of Level of Education on Performance of MSEs

The respondents were asked whether the level of education of an entrepreneur influenced performance. Table 4.15 indicates that 51.1% agree that level of education influence performance while 48.9% disagreed. The more a woman is educated the more liberated she is and this enables her to venture into business successfully. Cooper (1981) proposed that education and experience are antecedents to start a company and ultimately affected performance.
The research sought to determine if the education area influenced performance. Table 4.16 indicates that 72.2% disagree while 27.8% agreed that area of specialization of the entrepreneur influence performance of the MSE. The education area influences the type of business an entrepreneur gets into. Women are unrepresented in some sectors like manufacturing and technology yet these sectors are more lucrative.

The research further established that previous occupation had no influence on performance. When asked if previous occupation influenced performance, 75.6% disagreed and 24.4% agreed (table 4.17). The previous occupation determines what business to start. Most successful entrepreneurs were exposed to business through their previous occupations. Most of the respondents had no previous occupation and were managing their first businesses.
The research further established that previous entrepreneurial experience had no influence on performance. When asked if previous entrepreneurial experience influenced performance, 62.2% disagreed and 37.8% agreed (table 4.18). Ronstadt (1988) found that longer, more successful entrepreneurial careers were a function of earlier career starts and involvement in multiple ventures. Prior start ups and years of entrepreneurial experience were significantly correlated with performance in a study of 300 manufacturing firms in Tulsa (Box et al., 1993).

<table>
<thead>
<tr>
<th>Influence of entrepreneurial experience</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>68</td>
<td>37.8</td>
<td>37.8</td>
<td>37.8</td>
</tr>
<tr>
<td>Yes</td>
<td>112</td>
<td>62.2</td>
<td>62.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Influence of Involvement in Start up on Performance**

Table 4.19 illustrates that; majority of the respondents (66.7%) indicated that owner involvement in start up is crucial, while 33.3% felt that involvement doesn’t influence performance. For a business to perform well, owner participation is important especially in the initial stages.

<table>
<thead>
<tr>
<th>Involvement in start up</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>60</td>
<td>33.3</td>
<td>33.3</td>
<td>33.3</td>
</tr>
<tr>
<td>Yes</td>
<td>120</td>
<td>66.7</td>
<td>66.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Influence of Business skills on Performance**

The respondents were asked whether an entrepreneur’s business skills influence performance. Table 4.20 shows that majority of the respondents (66.7%) indicated that owner business skills influence performance, while 33.3% felt that business skills do not influence performance. Business skills are important for the success of a business. These include business planning, computing, accounting and technology.
Table 4.20: Influence of Business skills on Performance

<table>
<thead>
<tr>
<th>Influence of Business Skills</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>60</td>
<td>33.3</td>
<td>33.3</td>
<td>33.3</td>
</tr>
<tr>
<td>Yes</td>
<td>120</td>
<td>66.7</td>
<td>66.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Acquisition of Key Business Skills

The research sought to determine if the entrepreneurs had key business skills to run their businesses. Table 4.21 illustrates that Majority of the respondents, 88.9%, had key business skills while 11.1% had no business skills. The importance of business skills, particularly strength in idea generation and dealing with people, was found to be related to performance in Brush and Hisrich's (1991) longitudinal study. Since business skills are related to stage of business development, it is argued that women face challenges of learning business skills early in the life cycle of their business and are therefore less profitable than in later stages when they are more competent in business skills (Miskin and Rose, 1990).

Table 4.21: Key Business skills

<table>
<thead>
<tr>
<th>Have Key Business Skill or not</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>20</td>
<td>11.1</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Yes</td>
<td>160</td>
<td>88.9</td>
<td>88.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Mode of Acquisition of Business Skills

The research further sought to establish the means through which these skills were acquired. The respondents were asked how they got the business skills they had. Figure 4.8 illustrate that 42% of the respondents acquired key business skills through on the job training, 27% through formal training, 13% through apprenticeship and 7% through workshops. This shows that most of the women get in to business without the required skills and this affects performance of the businesses. Our formal education does not emphasize entrepreneurship thus having college education does not mean one has business skills.
The impact of human capital factors on performance had mixed results. Contrary to expectations and previous research, education areas and entrepreneurial experience were not related to performance. This may be due to the fact that most of the businesses were not related to area of study and again most of the MSEs were the women’s first business. The level of education influenced the performance of the women entrepreneurs to a great extent, those with college education performed better than those with secondary education. Involvement in start up greatly affected the performance of the MSEs.

4.3.5 Environmental Factors

The research sought to identify environmental influences on performance. The respondents were asked if lack of credit leads to poor performance of MSEs. Figure 4.9 illustrate that 50% agree to the statement that lack of credit lead to low performance, followed by 22% who strongly agreed to the same statement. 20% disagreed while 8% strongly disagreed. Availability of start up capital is reported to be one of the most important environmental factors influencing performance of MSEs. In Kenya, most women who venture into businesses and need financing lack the needed collateral to enable them secure bank loans.
Figure 4.9: Lack of credit lead to low performance

Extent to which type of industry influence performance

The respondents were asked the extent to which type of industry influence performance. Table 4.22 illustrates that 10.6% said that type of industry greatly influenced performance, 61.7% said it influenced moderately, 14.4% said it had low influence and 13.3% indicated that it had no influence at all. Statistics show that women business owners are more frequently located in the non-sponsored segment of the market, which is typically service related (kibas, 2005).

Table 4.22: Influence of Type of Business on Performance

<table>
<thead>
<tr>
<th>Influence of Type of Business</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>24</td>
<td>13.3</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Low</td>
<td>26</td>
<td>14.4</td>
<td>14.4</td>
<td>27.8</td>
</tr>
<tr>
<td>Moderate</td>
<td>111</td>
<td>61.7</td>
<td>61.7</td>
<td>89.4</td>
</tr>
<tr>
<td>Great</td>
<td>19</td>
<td>10.6</td>
<td>10.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Extent to which access to finance influence performance

The researcher asked the respondents if access to finance influenced performance of the MSEs. Table 4.23 illustrate that 82.8% said that performance is greatly influenced by access to finance while 17.2% said it moderately influenced the performance of their businesses. All agreed that access to finances influences performance. Access to finances especially in the fundamental stages of a business is difficult. Finances are also crucial for growth of the businesses.

Table 4.23: Extent to which access to finance influence performance

<table>
<thead>
<tr>
<th>Influence of Access to Finance</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>31</td>
<td>17.2</td>
<td>17.2</td>
<td>17.2</td>
</tr>
<tr>
<td>Great</td>
<td>149</td>
<td>82.8</td>
<td>82.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Environmental factors differentially affect the type of business and vary by industry sector. Historically, women-owned businesses have been concentrated in retail sales, personal, and educational services (Kalleberg and Leicht, 1991). The U.S. Small Business Administration (1986) reports that in 1982 nearly half of all women entrepreneurs participated in service industries and another 30% were in retail trade. A Canadian survey found that the retail sector tended to be overrepresented by women entrepreneurs (Belcourt et al., 1991). Even though both retailing and services generally have smaller returns and labor intensity, these sectors are generally easy to enter because of comparatively small capital investments. Companies in the service and trade industries generally have lower growth rates and profitability and often confront greater competition (Kalleberg and Leicht, 1991).

4.4 Government Policies

The research sought to establish whether government strategies put in place to enhance performance of women owned enterprises were effective enough. The respondents were asked whether the strategies are very effective, effective or less effective. Table 4.24 illustrate that majority of the respondents (46%) said that the government strategies in place were effective, 34% felt the strategies were very effective and the same number thought they were less effective.
Table 4.24: Effectiveness of government strategies

<table>
<thead>
<tr>
<th>Effectiveness of government Strategies</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less effective</td>
<td>34</td>
<td>18.9</td>
<td>29.8</td>
<td>29.8</td>
</tr>
<tr>
<td>Effective</td>
<td>46</td>
<td>25.6</td>
<td>40.4</td>
<td>70.2</td>
</tr>
<tr>
<td>Very effective</td>
<td>34</td>
<td>18.9</td>
<td>29.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>63.3</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>66</td>
<td>36.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Kibas (2005) many women are unaware of specific support mechanisms, including sources of funding for the income generation activities. In the absence of coordinated effort among the key stakeholders including the government, these entrepreneurs will continue to suffer ‘eking’ a living at survivalist level only. This is coupled with the reluctance of the formal public institutions to help women in micro- and small-scale enterprises.

Ways in which performance can be improved

The research sought ideas on what the government could do to improve the performance of women owned MSEs. From figure 4.10, 55% would like the government to ensure that loans are easily accessible to women entrepreneurs, 21% would like to have the loans interest rates lowered and 7% want the tax rates on goods lowered while 1% said they want more training for women entrepreneurs. All these services are equally important to the entrepreneurs and policies on them are required so as to be effective.
Figure 10: Ways in which performance can be improved
CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter contains the summary, conclusions and recommendations from the study. The overall purpose of this study was to find out the factors that influence performance of women owned MSEs in Thika district. Specifically the study sought to achieve the following objectives.

i. To find out the extent to which motivations and goals influence performance of women entrepreneurs in micro and small enterprises in Thika district.

ii. To investigate the extent to which social learning influences performance of women entrepreneurs in micro and small enterprises in Thika district.

iii. To find the extent to which network affiliations influence performance of women entrepreneurs in micro and small enterprises in Thika district.

iv. To assess the extent to which human capital influence performance of women entrepreneurs in micro and small enterprises in Thika district.

v. To establish the extent to which environmental factors influence performance of women entrepreneurs in micro and small enterprises in Thika district

5.2 Summary of Findings
5.2.1 Motivations and Goals
This study found that, motivations and goals had a significant influence on business performance. 65.6% said motivations and goals greatly influenced performance, 27.8% said it had moderate influence while 6.7% said it had low influence on performance. The three groups of motives (achievement, economic necessity, and independence) all were associated with various aspects of performance). Women MSEs began due to lack of employment performed better than those began with other motives. These results support speculations that women entrepreneurs are strongly motivated by economic necessity. Unexpectedly, independence was negatively related to performance, possibly because independence as a cultural norm may not be valued as highly in a collectivist society.
5.2.2 Social Learning

Social learning greatly affects the performance of women owned enterprises. 52.2% said role models greatly influence performance, 25.6% indicated moderate influence, 12.2% said they have low influence and 7.8% said they had no influence at all. Cultural factors influence the women owned MSEs too. Childhood economic status greatly influences the performance of women owned MSEs. The results support other researches that said that the small numbers of both self employed women may mean fewer role models for women entrepreneurs.

5.2.3 Network Affiliations

Network affiliations are important to good performance. Women entrepreneurs who had business mentors were positively influenced by them towards better performance of their businesses. 52.2% indicated that mentors greatly influenced performance, 25.6% indicated moderate influence, 12.2% said they had low influence and 7.8% said they had no influence at all. These findings support the expectations about the importance of network affiliations for women entrepreneurs and previous research from the United States and other countries showing that reliance on membership in women's organizations is related to performance.

5.2.4 Human Capital

In particular, research from developed countries showed that human capital variables, education level and area, previous entrepreneurial experience, and previous industry experience were all associated with better performance. However, this study found only mixed support for these variables where the lack of experience in entrepreneurial endeavors as well as education area of women in Thika district was not associated with performance. This was due in part to the comparatively early age of women entrepreneurs at start-up, overall average level of education of women in general, and high incidence of first venture experience. Taken together, these findings reflect the differential effect of human capital variables depending on the country context.
5.2.5 Environmental Influences

Availability of business finance greatly influence performance of women owned MSEs and most women entrepreneurs associate low performance of MSEs to lack of credit. Type of business was found to influence the performance of the MSE as retail businesses performed better than service businesses. Further, none of the respondents owned a manufacturing business, perhaps reflecting the difficulties associated with women getting involved in this sector and secondly due to the fact that most women study liberal arts.

5.2.6 Improving Performance-Government Strategies

The government strategies put in place to improve the performance of women MSEs include women loans, trainings and workshops. The loans are not easily accessible and the interest rates were high. The trainings are few and had little impact to the women entrepreneurs.

5.3 Conclusions

i. Motivations and goals were found to be a major influence on performance of women owned MSEs. Businesses began due to lack of employment were found to perform better than those established with other motives. The results show that women entrepreneurs are interested in growing their ventures, contrasting earlier researches.

ii. Social Learning was also found to influence performance. Childhood economic status, role models and cultural factors influence performance to a large extent.

iii. Network affiliations influence performance however, only a small percentage of the entrepreneurs are members of business associations or have mentors

iv. Human capital was not found to be a major influence of performance. However the level of education showed some influence. Again women do not venture into manufacturing business due to lack of appropriate skills.

v. The main environmental factor that influences performance was found to be access to finance and credit. This is the reason why many women businesses are in the retail and service industry because these industries require little start up capital.
Overall, this research suggests that motivations and goals, social learning, network affiliations, human capital and environmental factors greatly influence performance of women entrepreneurs.

5.3 Recommendations
In order to address gender disparities, the Government needs to pursue policies to empower women, increase their access to credit by encouraging them to form SACCOs, promote networking with formal banks and MFIs, and build institutional capacity of support organizations for gender mainstreaming. In addition, the Government in collaboration with the private sector needs to collect and avail gender-disaggregated data to facilitate gender responsive planning and policy formulation.

Other policies required include promotion of women’s access to technology and technical skills and influencing orientation of women away from the traditional activities to production of more marketable and remunerative products; promote women’s access to entrepreneurship development through training; and enhance gender equality in all levels of education. To ensure that women’s concerns are effectively mainstreamed in MSE activities and their participation enhanced, all MSE support programmes and projects should be designed to ensure equal opportunities. Last but not least, the government should lower the taxation rates to lower the cost of business.

On the other hand women should ensure they get the required business skills to run their businesses and this will also enable them venture in the male dominated sectors like manufacturing, construction and technology. Women too, should use other methods of financing their businesses for expansion like venture capital and not rely on the limited funds from banks. They should also be encouraged to register their businesses with the respective authorities so that their businesses are legally recognized.

5.5 Further research
Further research examining the influence of motivations and goals, social learning, network affiliations, human capital and environmental factors in women-owned businesses compared with men-owned businesses is now needed; this will determine if these results are gender specific or a function of social structures.
REFERENCES


Dear Respondent,

REF: FACTORS INFLUENCING PERFORMANCE OF WOMEN-OWNED MICRO AND SMALL ENTERPRISES IN KENYA: A CASE OF THIKA DISTRICT, CENTRAL PROVINCE

I am a post graduate student at Kenyatta University, at the school of business. I am undertaking a master of business administration degree research project on "factors influencing performance of women entrepreneurs in micro and small enterprises in Kenya: a case of Thika district, central province".

I have designed a questionnaire to gather information on the above subject. This project paper is a requirement in partial fulfillment of the Master of Business Administration degree at Kenyatta University.

This is to kindly request you to assist me collect the data needed for this project, by filling out the accompanying questionnaire. It is estimated that this will take about 20 minutes of your precious time.

Please note that any information you give will be treated with extreme confidentiality and at no instance will it be used for any other purpose other than the project paper.

Yours faithfully,

Mungumi Jacqueline
APPENDIX II: QUESTIONNAIRE FOR WOMEN ENTREPRENEURS

SECTION A: PERSONAL DETAILS

Q1. Your Age (tick as appropriate)
   - Below 25yrs ( )
   - 25-34 yrs ( )
   - 35-44yrs ( )
   - Above 44 yrs ( )

Q2. Marital status: Single ( ) Married ( ) Separated ( ) Widowed ( )

Q3. Family size: Less than 3 ( ) between 3 and 5 ( ) More than 5 ( )

Q4. Level of education and training:
   - Informal/none ( ) Primary ( ) Secondary ( ) College ( ) University ( )

Q5. a) Do you have Key skills and abilities: None ( ) Yes ( )
   b) Specify below and how you acquired them
      - Apprenticeship ( ) on-the-job training ( ) workshops ( ) formal training ( )
   c) Management skills - list specific abilities:
       ..........................................................................................................................
   d) Technical skills e.g. computing etc - list key skills:
       ..........................................................................................................................

SECTION B: ENTERPRISE DETAILS

Q6.a) Name of the enterprise and physical location
       ..........................................................................................................................
       (i) District ..........................................................................................................
       (ii) Town ...........................................................................................................
       (iii) Street ..........................................................................................................

Q7. (a). Duration in the current enterprise (in years):
       i) Less than 3 years ( ) ii) 3 - 5 years ( ) iii) Over 5 years ( )
   (b) Any other business experience prior to the current one?
       ..........................................................................................................................

64
(c) Duration in the previous enterprise (in years):

i). Less than 3 years  ()
ii) 3 - 5 years  ()
iii) Over 5 years  ()

Q8. What is the type of your business?

☐ Retail business
☐ Service business
☐ Manufacturing business
☐ Other (Please specify) ____________________________________________________

Q9. a) Do you think, the type of business affects your performance?

☐ Yes
☐ No
☐ I don’t know
☐ Am not sure

b). Give your reason for the answer in Q9 (a) above. __________________________________________

Q10. a) Number of employees in the enterprise: ........... Women ........... Men ...........

i) Full time........................
ii) Part time........................

b) Are some or all the employees relatives?  ☐ Yes  ☐ No

If yes, please categorize them below
i) Number of Relatives Paid.................
ii) Number of Relatives not paid .............

Q11. Was your business profitable last year?

Profitable ( )
Not profitable and not losing money ( )
Losing money ( )

Q12. What is your present monthly income...Ksh..........................
SECTION C: FACTORS INFLUENCING PERFORMANCE OF WOMEN OWNED ENTERPRISES

Q13. a) To what extent do you think individual motivations influence performance of women owned MSEs?

   Great ( ) moderate ( ) Low ( ) Not at all ( )

b) What is the main reason why women start businesses?

   Due to lack of employment ( )
   To gain independence ( )
   As personal achievement ( )
   Other (please specify) -------------------------------------------------------------

c) What business goal do you have for the next 2-5 years?

   Survival ( )
   Growth ( )
   Independence ( )
   None ( )
   Other (please specify) -------------------------------------------------------------

Q14a) Who is your role model in entrepreneurship?

   Father ( )
   Mother ( )
   Sibling ( )
   Other ( )
   Don’t have ( )

66
b) Do you think women who have business role models as they grow up become better entrepreneurs?

Yes ( )

No. ( )

c) To what extent do role models influence performance of women owned MSEs?

Great ( ) moderate ( ) Low ( ) Not at all ( )

d) To what extent does childhood economic status influence performance of women owned MSEs?

Great ( ) moderate ( ) Low ( ) Not at all ( )

Q15. Which of the following factors influence performance of Women owned MSEs (Tick appropriately)

- Education level ( )
- Education area ( )
- Previous occupation ( )
- Previous entrepreneurial experience ( )
- Involvement in start up ( )
- Business skills ( )

Q16. a) How does networking influence performance of women owned MSEs?

Great ( ) moderate ( ) Low ( ) Not at all ( )

b) Do you have a business mentor? Yes ( )

No. ( )

If yes, how has he/she impacted on the business performance?

- Positively ( )
- Negatively ( )
- Don’t know ( )
c) Are you a member of any business association? Yes ( )
     No. ( )

If yes, how has it impacted on the business performance?

   Positively ( )
   Negatively ( )
   Don’t know ( )

d) Do you think women lack the mobility required in networking?

   Yes ( )
   No ( )

e) Rate the following business development services in relation to ability to improve business performance?(Key, 3= Very effective 2= moderate 1= least effective)

   Business advisory services ( )
   Business mentorship ( )
   Business workshops ( )

Q17. To what extent do the following factors influence performance of women owned MSEs?
   (tick as appropriate)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Not at all</th>
<th>Low</th>
<th>moderate</th>
<th>Great</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of children</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age of first child</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q18. To what extent does the type of industry influence performance of women owned MSEs?

   Great ( ) moderate ( ) Low ( ) Not at all ( )
Q19. To what extent does accessibility of finance influence performance of women owned MSEs?

Great ( ) moderate ( ) Low ( ) Not at all ( )

Q20. Kindly rate the following statements, using the Likert's scale provided below

<table>
<thead>
<tr>
<th>Variable</th>
<th>Rating using the Likert's scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1= Strongly disagree</td>
</tr>
<tr>
<td></td>
<td>2= Disagree</td>
</tr>
<tr>
<td></td>
<td>3= undecided</td>
</tr>
<tr>
<td></td>
<td>4= Agree</td>
</tr>
<tr>
<td></td>
<td>5= Strongly agree</td>
</tr>
<tr>
<td>Most women entrepreneurs lack entrepreneurial education and training</td>
<td>1</td>
</tr>
<tr>
<td>The women entrepreneurs do not have interest in growing their ventures</td>
<td>2</td>
</tr>
<tr>
<td>Lack of credit leads to low performance in women owned MSEs</td>
<td>3</td>
</tr>
<tr>
<td>Lack of networks leads to low performance in women owned MSEs</td>
<td>4</td>
</tr>
<tr>
<td>Cultural factors affect performance in women owned MSEs</td>
<td>5</td>
</tr>
<tr>
<td>Social learning influences performance of women owned MSEs</td>
<td></td>
</tr>
</tbody>
</table>

Q21. What strategies have been put in place by the government to mitigate the challenges faced by women entrepreneurs?
Q22. Rate the effectiveness of the above strategies in improving performance in women owned MSEs?

Very effective ( )
Effective ( )
Less Effective ( )

Q23. Suggest ways in which performance in women owned enterprises can be improved?

________________________________________________________________________

Q24. a) Do you think the government has the capacity to sustain good performance in women owned MSE?

□ Yes □ No □ Not sure

b) Give reasons for your answer in the above

________________________________________________________________________
### APPENDIX 111: WORK PLAN

<table>
<thead>
<tr>
<th>2011</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUNE</th>
<th>JULY</th>
<th>AUG</th>
<th>SEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal development and presentation</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Piloting of instruments</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Data collection</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Data analysis</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Project presentation</td>
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<td>☐</td>
<td>☐</td>
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<td>☐</td>
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## APPENDIX IV: BUDGET

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td><strong>Proposal</strong></td>
<td></td>
</tr>
<tr>
<td>Literature Research</td>
<td></td>
</tr>
<tr>
<td>- Transport</td>
<td>3,500/=</td>
</tr>
<tr>
<td>- Meals</td>
<td>1,500/=</td>
</tr>
<tr>
<td>Typesetting &amp; Printing 45 pages @30</td>
<td>2,250/=</td>
</tr>
<tr>
<td>Photocopying services 10 copies @ 3 x 45 pages</td>
<td>1,350/=</td>
</tr>
<tr>
<td>Binding services</td>
<td>1,000/=</td>
</tr>
<tr>
<td><strong>Data collection</strong></td>
<td></td>
</tr>
<tr>
<td>Research Instruments</td>
<td></td>
</tr>
<tr>
<td>Typesetting &amp; Printing Questionnaire 3 pages x 30/=</td>
<td>90/=</td>
</tr>
<tr>
<td>Photocopying questionnaire 3 pages x 400 x 3</td>
<td>3,600/=</td>
</tr>
<tr>
<td>Validation of instruments</td>
<td>1,500/=</td>
</tr>
<tr>
<td>Traveling &amp; meals</td>
<td>1,500/=</td>
</tr>
<tr>
<td>Traveling during data collecting</td>
<td>5,000/=</td>
</tr>
<tr>
<td>Meals &amp; Accommodation @200 a day for 30 days.</td>
<td>6,000/=</td>
</tr>
<tr>
<td><strong>Stationery</strong></td>
<td></td>
</tr>
<tr>
<td>Writing paper</td>
<td>500/=</td>
</tr>
<tr>
<td>Typesetting &amp; printing of thesis 6 copies @ 50 pages x 30/=</td>
<td>1,500/=</td>
</tr>
<tr>
<td>Photocopying of thesis 90 pages x 3/= @ 6 copies</td>
<td>1,620/=</td>
</tr>
<tr>
<td>Traveling &amp; meals &amp; accommodation</td>
<td>5,000/=</td>
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<tr>
<td><strong>Data analysis and Thesis Write up</strong></td>
<td></td>
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<tr>
<td>Stationery</td>
<td>500/=</td>
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<tr>
<td>Analysis through SPSS</td>
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<tr>
<td>Printing and binding of the project</td>
<td>4,000/=</td>
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<tr>
<td><strong>Total</strong></td>
<td>43,910/=</td>
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