

**THE ROLE OF CULTURE ON ENTREPRENEURIAL  
DEVELOPMENT AMONG THE SOMALI COMMUNITY IN  
NAIROBI, KENYA**

**BY**

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*The role of culture  
on entrepreneurial*



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## DEDICATION

This research project is dedicated to **Loise Wangui Kariuki** and all my family members.

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## ABSTRACT

The influence of culture on economic activities of the different societies has been investigated since beginning of the 20<sup>th</sup> century. It is no doubt therefore that culture is an obvious source of significant variations in the levels of entrepreneurship. This study was aimed at unraveling the role that the Somali culture plays on the community's entrepreneurial development among small and medium business owners in Nairobi, Kenya. Descriptive survey design was used. A semi-structured questionnaire was administered to a sample size of 200 respondents selected by cluster sampling technique. The questionnaire administration was through drop-and-pick method. The data was then analyzed using chi-squares, correlation, frequencies and percentages using the SPSS tool.

The Somali community of Kenya holds spectacular cultural practices intertwined with the Islamic faith that affects entrepreneurship. This has been demonstrated by their collectivism on many societal issues. The community has carved a unique niche in entrepreneurship and is industrious in small and medium enterprises. The findings show that the Somali culture is a casual agent of entrepreneurial development, intertwined with religion fosters the development of entrepreneurial skills, venture start-ups and sustainability. Majority (96%) of the study participants indicated that the Somali community support for one another had great influence on entrepreneurial development. The participants indicated that they have developed entrepreneurial skills, knowledge and resources through community support. Religion is the major Somali cultural practices that affect entrepreneurship. This is because other elements of Somali culture derive their existence within the wider scope of religious practices. The Somali community's entrepreneurship development patterns operate and are modeled on communal synergy resulting in a model of multiplier effect.

The community entrepreneurs are recommended to adopt a collective and sustainable community support strategy that will pool resources towards business mentoring programmes, startups and insurance. Support for other causes like consumables to the less fortunate should be limited.

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(Moss, 1983)

**Economic Development:** Economic development is the process which increases the per capita income of a country through the expansion of the economy. It is a broad concept which includes the growth of the economy, the improvement of the living standards of the people, the development of the infrastructure, the creation of employment opportunities, and the promotion of social justice.

**Entrepreneurship:** Entrepreneurship is the process of identifying, evaluating, and exploiting opportunities for the creation of new products, services, or businesses, either the primary or secondary sector, with a view to increasing the standard of living and to initiate appropriate economic development (Schumpeter & Spence, 1987).

**Entrepreneurship:** Entrepreneurship is a multidimensional concept, the definition of which depends largely on the context in which it is used. In the research undertaken in this study, entrepreneurship is defined as the process of identifying, evaluating, and exploiting opportunities for the creation of new products, services, or businesses.

## DEFINITION OF TERMS

### **Culture:**

It is an integrative aggregate of common characteristics that influences how a human group responds to its, environment, and it binds a given group of people (Irvin, 1994). Culture is a set of socially acquired values that society accepts as a whole and transmits to its members through language and symbols as a result, culture reflects a society's shared meanings and traditions (Assael, 1998). Culture is a Complex whole context of a community's lifestyle and includes knowledge, belief, art, morals, laws, customs and other capabilities or habits acquired by members of a society (Moss, 1983).

### **Economic Development:**

Economic development is the process whereby the real per capita income of a country increases over a long period of time subject to the stipulations that the number of people below absolute poverty line does not increase and that the distribution of income does not become unequal (Meier, 1989).

### **Entrepreneur:**

An entrepreneur is a person with ability to see and evaluate business opportunities, gather the necessary resources to take advantage of them and to initiate appropriate action to ensure success (Timmons & Spinelli, 2003).

### **Entrepreneurship:**

Entrepreneurship is a multi dimensional concept, the definition of which depends largely on the focus of the research undertaken. Bird (1989) defines entrepreneurship as the process of starting and/or growing a new profit making business.

**Entrepreneurial Culture:**

Peoples' systems of values that foster positive attitude towards entrepreneurship (Burns, 2001).

**Entrepreneurship Development:** The process of increasing enterprise creation, growth, and transformation over a period of time among a community. It includes activities that support or foster new business start-ups, access to appropriate business facilities, equipment, training & education and capital (Pages & Poole, 2003).

**Small Business Enterprise:**

A small business enterprise has been defined varyingly in different countries. Since this research is based in Kenya, a small enterprise is defined as one employing between 1-50 people (CBS et al, 1999).

## ABBREVIATIONS

<b>GEM:</b>	Global Entrepreneurial Monitor
<b>SMEs:</b>	Small and Medium Enterprises
<b>SPSS:</b>	Statistical Package for Social Scientists
<b>USA:</b>	United States of America
<b>IBM:</b>	International Business Machines
<b>NGOs:</b>	Non-Governmental Organizations

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background Information

Culture is the way of living developed and transmitted by a group of human beings, consciously or unconsciously, to subsequent generations. Ideas, attitudes, customs and traditions become accepted and somewhat standardized in a particular group as an attempt to meet continuing needs. In most of the African societies, values, beliefs and attitudes influence the entrepreneurial activities a great deal. For some communities, there are some ventures that are gender specific while others are meant for a certain age group of individuals. Culture per se is therefore a society's way of doing things that is influenced by their values, beliefs and attitudes (Irvin, 1994).

Culture has been identified as an environmental characteristic that influences consumer behavior and that culture affect differently the individual's acquisition and use of goods and services. Cultural differences, especially amongst African communities who attach so much significance to culture should be well managed (Vincent, 1997).

There may be much more than lack of finance, skills, or demand that is preventing African micro-entrepreneurs from expanding. Family networks are strong and can on one hand support newly created enterprises with funds and labor, but on the other hand drain the profits of an established enterprise with requests for financial help and jobs for relatives. Cultural beliefs can also be a deterrent to entrepreneurship. In many cultures success in business is put down to the wielding of malign supernatural powers, and the entrepreneur can be isolated rather than admired in his or her community. Quite a number of cultural attitudes affect business. These attitudes take a long time to change and that blueprint, minimalist solutions to enterprise development, dealing with one of a number of obstacles in the path of the growth of small enterprises, may have limited success (Buckley, 1996).

The difficulties and weaknesses experienced by informal sector micro-entrepreneurs are functions not only of their operating environments and particular business skills, experiences and competencies, but also of a range of cultural norms, values and practices embedded in business relations. This is a very complex dimension to enterprise management that varies across location setting and evolves according to explanatory aspect of enterprise development and entrepreneurship (in this case, Sub-Saharan Africa), which is rarely given serious examination by interveners or observers in the field of enterprise development. Themes that come up repeatedly are the impact of the family and the supernatural on enterprise management (Buckley, 1996).

The Somali people live in the North Eastern part of Kenya bordering Ethiopia and the Somali Republic. They are a Cushitic group who migrated to Kenya at the end of the fifteenth century. They are considered a minority tribe in Kenya (Kenya safari guide 2000).

For much of Kenya's history, its ethnic group was loose social formations, fluid and constantly changing. In the late 19<sup>th</sup> and 20<sup>th</sup> Centuries, British colonial rule solidified ethnic identities among the Kenyan people. Colonial administrators identified ethnic groups within specific areas of the country by designating areas where only people of a particular ethnic identity could reside.

This pattern of ethnically based settlements has persisted in Kenya even after independence in 1963, despite the fact that economic and political development has increased mobility and urbanization among the country's inhabitants Somalis included. So to date the majority of the Somalis are based in North Eastern Kenya (Kenya Safari Guide 2000).

Culture, traditionally, has been the primary characteristics of ethnic identity in Kenya. Among the Somalis, some cultural institutions like the extended family

system will provide assistance when disaster strikes. Some practices have changed over time. Although there has been a competitive and individualistic tendency in Somalis, the community still believes that brothers in large African context should and must help one another (Gordon, 1990).

There is a connection between the culture of a people and its propensity to be entrepreneurial. Culture consists of specific learned norms based on attitudes, values and beliefs and exists in every society (Guy, 1996).

In some communities people respect personal achievements-in fact they compete openly with each other. In other communities collective effort is valued and such communities are reluctant to single out individuals. According to global research this “group” norm has some effect on entrepreneurial behavior (GEM, 2002).

## **1.2 Statement of the Problem**

Anecdotal examples of perceived ethnic variations in entrepreneurship activity such as the Kikuyus of Kenya, the Chaggas of Tanzania and Ibos of Nigeria are most cited entrepreneurial communities in Africa (Morris & Somerset, 1971; Iguisi, 2002). This has tended to portray the populous communities as being more entrepreneurial and the minority communities as having less entrepreneurial skills.

The Somali community, though a minority and generally perceived and known for pastoralism, has carved a unique niche in entrepreneurship. They are quite industrious in small and medium enterprises. They are a new phenomenon in every Kenyan city and major other towns as they have developed business empires called “Garrissa Lodges”. Could culture be a driving factor? The research study sought to establish the role of culture on entrepreneurship development among the Somali community.

### **1.3 Objective of the Study**

The objective of the study was to determine the role the Somali cultural practices play on the community's entrepreneurship development.

#### **Specific Objectives**

The specific objectives of the study were:

- 1) To establish the major Somali cultural practices that affect entrepreneurship.
- 2) To find out types of business operations among the Somali community in Nairobi, Kenya.
- 3) To assess Somali community's entrepreneurship development patterns.
- 4) To establish how cultural perspectives enhance entrepreneurship development.

### **1.4 Research Questions.**

- 1) What are the major Somali cultural practices in entrepreneurship development?
- 2) What types of businesses are operated by the Somali community in Eastleigh, Nairobi, Kenya?
- 3) Is there a relationship between culture and entrepreneurship development patterns?
- 4) How can cultural perspectives enhance entrepreneurship development?

### **1.5 Rational/ justification of study**

The study will make a contribution towards comprehending the influence of the community's cultural aspects on business ventures. It will also provide much insight on what culture really is and its role in the entrepreneurial development in the Kenyan front. The findings will form a model framework to help make recommendations on economic improvements of the Kenyan communities and the country as whole. This study will also add to the existing field of knowledge and perhaps stimulate further research on different societal aspects that influence business choices. The research will be beneficial to scholars and entrepreneurship students, either as reference materials or/and secondary information. To the

researchers, the study will provide a platform for future studies while to the Government and NGOs, it will give some useful information on how to enhance entrepreneurial development among the Kenyan communities, formulating entrepreneurial development policies, and how these communities can be assisted to excel SMEs and manage them effectively through exploitation of their diverse cultural backgrounds.

## **1.6 Scope of the Study.**

This study was limited to the Somali community conducting business in Nairobi's Eastleigh area. An ideal situation would have to cover the Somali community conducting business in other towns in the country but due to the fact that a research of such magnitude requires a lot of funds, the researcher captured the population in the city. The conceptual scope was limited to the role of culture on entrepreneurial development.

## **1.7 Limitations of the Study**

Time allocated for research was inadequate and the researcher overstretched resources to meet the research deadline. Some respondents were not willing to give out the relevant information due to lack of interest for to them. However after explaining to them the relevance of the research, they finally agreed to fill the questionnaires. Nevertheless, the researcher was not inhibited by the above mentioned limitations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter explores the basic cultural values among the African societies with specific emphasis to Kenya. It explores the nature, functions and characteristics of various cultural variables that influence entrepreneurial propensities of these societies.

The researcher conceptualizes culture as the main predictor (independent variable) of entrepreneurial development (response). The entrepreneurial process is initiated and sustained by the business internal environment- access to resources and the capabilities and competences of the entrepreneur (ability to act upon opportunity and managerial skills). The business is controlled by the external factors which constitutes legal systems and the Government of Kenya policy on SMEs. Both the internal and external environmental factors are moderators and in that case were treated as constants.

#### **2.2 Past Studies done on Culture and Entrepreneurship**

##### **2.2.1 Culture: Perception and Essence.**

Culture consists of specific learned norms based on attitudes, values and belief existing in every society. Culture cannot be isolated from such factors as economic, political conditions and institutional influences. Nationally, cultures differ on such factors as power distance, individualism, masculinity and uncertainty avoidance (Hofstede, 2001).

Societal culture dictates what a group of people pay attention to. It guides how the world is perceived, how the self is experienced and how life itself is organized in

society. Individuals or a group share patterns that enable them to see the same things in the same way and this holds them together (Guy, 1998).

Culture is relative and there is no cultural absolute. People in different cultures perceive the world differently and have different ways of doing things, and therefore it is not a set standard for considering one group as intrinsically superior or inferior to any other. Each national culture is relative to other cultural ways of perceiving the world and doing things (Guy, 1998).

Cultural practices of a society are learned hence it is derived from the social environment and not from the genetic make-up. Culture is learned and not something that one is born with. It is a collective phenomenon that is about shared values and meanings. Culture is therefore found among groups of people and not one individual (Seelye, 2000).

It is very important to understand that culture is not right or wrong. It is not inherited and neither is it about individual behavior. There are wide variations in individual values and behavior within each national culture (Takada, 1991).

There are many description and definitions of culture. Culture is described as the “collective programming of the mind” which distinguishes the members of one human group from another. He explains that Culture is what lies between human nature on one side and individual personality on the other (Hofstede, 1980).

Culture is a distinctly human capacity for adapting to circumstances and transmitting this coping skill and knowledge to subsequent generations (Harris, 1987). Culture governs our behavior, which would otherwise be weird. Culture makes us make sense of the space inhabited by us. For example, the Eskimos dress the way they do as their Culture has taken into account the cold environment. It facilitates living by providing ready-made solutions to problems and establishing patterns of relations

and ways of preserving group cohesion and consensus. For instance, in some cultures thieves have their hands cut or burnt (Triadic, 1989).

Culture also provides identity to a people giving them a sense of belonging. For instance the initiation ceremony among the morans of the Maasai community makes that age group feel as one and they remember each other as they went through the grueling initiation ceremony together (Muriuki, 2001).

There are a number of characteristics common to all cultural values. Cultural values are learnt. The process of learning the values of ones own culture form childhood is known as enculturation. Learning the values of another culture is known as acculturation. Consumer acculturation occurs when a person from another country adapts to the consumption values and behavior of his or her adopted country. This adaptation can occur by observation, by word of mouth communication and through mass media communication. Advertising also has a role in acculturating consumers through informal learning. The use of spokesperson encourages consumers to imitate these role models or experts and adopt certain products or styles. Hair and Anderson studied the process of acculturation among immigrants to America. They concluded that the process of acculturation is particularly important for business people in foreign markets. Since an understanding of the local culture is necessary before they can develop product and advertising strategies (Guy, 1997).

Cultural values guide and direct an individual's behavior through the establishment of cultural norms. Such norms establish standards of behavior regarding proper social relations, means of ensuring safety, eating habits and so forth. If behavior deviates from the cultural norm, society may place sanctions or restrictions on behavior.

Cultural values gain permanence as parents pass them on to children. Schools and religious groups are also important in maintaining the permanence of cultural values.

Culture is also dynamic; values must change as society changes. Changes in technology, liberalization of economics have had influence on cultures. For instance cell phones, personal computer and fax machines have made a large proportion of consumers to work at home full time based on this technology.

Each culture has certain widely held and commonly accepted values that differentiate it from other cultures. A common language facilitates the sharing of values. On multilingual countries such as Kenya, the lack of a single cultural bond through language has led to divisiveness. Increasing management contact and interdependence across cultures are inevitable. Cultural differences are not going away, but becoming more entrances (Trompenaars, 1998). This therefore makes it more critical than ever to try to understand different cultures and their influence on the ways people do business and view the world.

### **2.2.2 Relationship between Culture and Entrepreneurship**

Culture consists of specific learned norms based on attitudes, values and beliefs, which exist in every society. Culture cannot be isolated easily from such factors as economic and political conditions and institutions. Different cultures may share values, but may order them differently if it becomes necessary to trade off the achievement of one for another. Different communities may prioritize objectives differently. Considerable research conducted in recent years indicates that some aspects of culture are significantly different across communities and even national borders and have a substantial impact on how business is conducted in these communities and countries. All countries population is commonly subdivided into groups and individuals belong to more than one group. Affiliations determined by birth are known as ascribed group memberships; these include differentiations based on sex, family age, caste, and ethnic, racial or national origin (Seelye et al, 2000).

Among acquired group memberships (those not determined by birth) are religion, political affiliation, and professional and other associations. The type of membership

often reflects individuals' place in the social-stratification system (the class or status position) as well. Every society has stratification, such as valuing people in managerial and technical positions more than production workers.

The influence of culture on economic activities of the different societies has been investigated since beginning of the 20<sup>th</sup> century. Weber (1976) showed the influence of the religion (as component of culture) on the economic performance of the society. Fukuyama (1995) also provided evidence that social capital (especially interpersonal trust among the members of society) is a major determinant of the society welfare and prosperity. Inglehard (2000) investigated influence of the numerous factors that shape the world value system on the sample of the 65 societies. He found evidence that economic differences are linked with large and pervasive cultural differences, as well as, those cultural zones are persistent and long lasting. In the African society, family networks can be supportive as well as negative to entrepreneurship. The supportive elements can be in the form of skills and knowledge transfer, provision of accommodation, financial as well as emotional support. The negative aspect of culture on entrepreneurship can be in form of capital drains from employment provision, free products and monetary donations. Cultural beliefs can be deterrent to enterprise start-up and success. The impact of family relationship and cultural beliefs therefore has a major role to play on entrepreneurship development in African society (Buckley, 1996).

The main point derived from the studies mentioned above is that culture has a profound impact upon society welfare. The cultural orientation of a society reflects the complex interaction of values, attitudes and behavior displayed by its members (Adler, 1997). These values, in turn, affect the attitudes of individuals, which again form their behavior choices in any given situations. The continually changing patterns of individual and group behavior eventually influence the society's culture, and the cycle begins again.

More specifically, other studies support the notion that culture has a profound influence on the entrepreneurial capacity of a society, and that societies usually do not have homogeneous cultural setting. Loucks (1981) suggests that entrepreneurship is culture embedded, and therefore researchers on the entrepreneurship should be more interested in the cultural distinctions of the entrepreneurship phenomena, and differences in how values, beliefs, attitudes, shared norms and particularity of conditions, influence what they do. Davidsson and Wiklund (1995) suggested that the most obvious source of the variations in the levels of entrepreneurship, are cultural values and cultural context. Morrison (1998) has found that there is a significant relationship between entrepreneurship and cultural specificity.

Further, researchers have identified three important dimensions of national culture relevant to entrepreneurship (Daniels, 1995).

The first dimension involves individualism or collectivism. This dimension captures the relationship between individuals and the group. Individualistic cultures advance self-interest, self-determination, autonomy and notions of fairness. In collectivism culture, the people see themselves as a group. The focus is on common goals meaning that the people expect the group to look after them and in turn give absolute loyalty to the group.

The second dimension involves materialism or quality of life. This reflects the degree to which individuals pursue material as opposed to spiritual ends. In materialistic cultures, people are ambitious and assertive. They pursue material acquisition and career success; they live to work since work is seen as having an intrinsic value. Less materialistic cultures emphasize quality of life. Hard work results from a sense of duty or obligation to ones family or society. In this case people live to work.

The third dimension involves uncertainty avoidance. This factor refers to the extent that individuals feel threatened by ambiguity, uncertainty or unknown situations. In

low- uncertain avoidance cultures, people are risk lovers. Risk is sought out as being challenging, interesting and fun. High uncertainty avoidance cultures prefer stability. People believe in absolute truths, established rules and regulations. Deviant ideas are rejected. People seek agreement and consensus and desire stable long-term employment relations. Conservatism is life.

Going by the high rate of company formations in the Western world and especially United States of America, the researcher would like to highlight some traits that are prevalent in these countries as a measuring rod to entrepreneurship. It is important to note that no culture is totally for or against entrepreneurship. Many subcultures that shape value systems operate within a cultural framework. Thus even in the U.S.A not all the culture is for entrepreneurial subcultures: route 128(Boston), Silicon Valley (California), North Carolina Triangle, Los Angeles, Denver, Cleveland and Austin (Hall, 1990).

The perception that starting a new company is desirable results from an individual's culture subculture, family, peers and even tutors. A culture that values an individual who successfully creates a new business will spawn more venture formations than one that does not.

The American culture places high value on being one's own boss, having individual opportunities, being a success and making money. All these are aspects of entrepreneurship. No wonder USA leads in new company formations regarded as a measure of degree of entrepreneurship (Hall, 1990). It is also documented that in a study of companies around the world, a high percentage of founders of these companies had parents or fore parents who valued independence.

Power distance refers to the extent that members of a culture accept an equal distribution of power. In highly entrepreneurial cultures such as USA, there is low power distance.

Low power distances believe in equality of opportunity, individual involvement, participation and democracy. Americans are viewed as rugged individuals who pursue moderate risks and successfully deal with uncertainties of new ventures. Of course they also operate in conducive framework conditions with well-designed government programs to enhance skills (Gudykunst, 1997).

American culture is competitive and goal oriented and Americans worship success and winning. Individualism is extreme in U.S.A culture and generally in the West. People are expected to be successful through their own hard work, and to overcome obstacles on their own. People in U.S.A and West in general cherish freedoms, the right to free speech, and the right to protest. They value candor and directness in business. They are used to making independent decisions and taking independent action. They are eager to stand out from the crowd. In less entrepreneurial culture, individualism is viewed rather negatively. This is a hierarchy sensitive tradition with a collectivist mentality (Hall, 1990).

Westerners pay more attention to deadlines and schedules than social protocol. Personal goals are more supreme than group goals (Hall, 1990). Americans believe in more control over the environment. They have an internal locus of control. They will not just accept their fate.

In the western world, the cultures are low context. In USA, written and spoken words carry the burden of shared meaning. Perceptions and assumptions from non-verbal cues are double-checked verbally. In high context cultures (e.g. African societies, Eastern countries), would be insulting, and would cause one to lose face (Demente, 1994). In establishing relationship, in USA, a businessperson will get straight to the point; get the business aspects out of the way first. Socialization, such as knowing the people, one is dealing with comes out later. In some cultures of Easter and Africa, establishing relationship is of paramount importance before coming down to the specifics of business.

The importance of time is dependent on the different viewpoints of people's origin and culture. Time is one of the fundamental bases on which all cultures rest and around which all activities revolve (Hall 1990). There are differences how cultures handle time. In highly entrepreneurial cultures such as USA, Finland, and Germany, time has a high value and has to be precisely organized to keep business running. Americans are used to work if necessary 70hrs a week just to reach their targets as fast as possible to increase the chances in the competition about jobs and hierarchies. However time pressure, whereas it is good for entrepreneurship, can cause stress and has resulted to people getting sick. Time is considered to be very rare and expensive-hence it has to be perfectly organized (Hall, 1990).

On gender aspect entrepreneurial societies of the West have a general concrete sense of equality. Men or women without discrimination take managerial and other leading positions. The next Finish president will be a woman. Women in Finland regard having their own venture, jobs and money as self-evident. In France, women are equal in certain professions like law and finance. But there are restrictions against women working in industry sectors (Hill, 1997).

Uncertainty expresses the deficit that people tolerate ambiguous situations and need formal rules. Uncertainty is the extent to which the members of a culture feel threatened by uncertain or avoidance (for example Eastern countries of china, and even France), people get stress when they feel pressured by time and/ or uncertainty to accomplish a target or to solve a problem. Culture with high uncertainty avoidance emotions is displayed in the way that everything different is dangerous. They resist changes and worry about their future. Cultures with a low degree of uncertainty avoidance (such as USA) are open for new things and changes. Such cultures are more likely to stimulate innovations and emphasize new ideas. Cultures with strong uncertainty avoidance resist in changes and worry about their future (Leathers, 1997).

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Entrepreneurship focuses on creation and growth of a business venture. There is a powerful connection between the culture of a people and its propensity to be entrepreneurial. It is wrong to say that people have no entrepreneurial elements in them. However some have more experience and knowledge on entrepreneurship than others. Some communities have more pronounced sets of cultures with significant implications on entrepreneurship (Irvin, 1994).

Culture evolves and develops over a long time. It is rooted in core values of its people and places. Culture is dynamic but slow to evolve changing from generation to generation. Literature clearly suggests that there are national sub-cultures in every nation and communities and these cultures have important implications for creating entrepreneurial economies (Irvin, 1994).

Study of entrepreneurship relationship is significant because studies have established that there are traits embedded in culture that enable certain societies and people to be more or less entrepreneurial. The Global Entrepreneurial Monitor (GEM 2002) study highlights how the Japanese culture presents major barriers to entrepreneurial behavior by its members. Entrepreneurship thrives best where individual efforts are recognized unlike Japanese culture.

(Gemini 2002) study helps to explain how American culture enables, rewards and even celebrates entrepreneurial behavior. It follows that there is a strong connection between cultural characteristics and how entrepreneurial a society is or is not. A future correlation between economic performance and entrepreneurship build the care for the importance of culture.

The potential for and frequency of entrepreneurship has been shown to be associated with the occurrence of certain culture specific variable (Thomas and Muller, 2000). Hofstede investigated workers of IBM in different countries. He found highly significant differences in the behaviors and attitudes of employees and managers

from different countries that worked for this multinational corporation. He also found that these differences did not change over time (Adler, 1997). His comparison between the different cultures is plotted across four dimensions, largely independent of each other (Mead, 1998). These are:

Power distance: the distance between individuals at different levels of a hierarchy; uncertainty avoidance: more or less need to avoid uncertainty about the future; individualism versus collectivism: the relations between the individual and his/her fellows; masculinity versus femininity: the division of roles and values in society.

#### 2.2.2.2 High power distance

Hofstede (1984) also indicated that societies, which score high on individualism and low on the power dimension, have a higher economic growth and a greater tendency to innovate. High individualism combined with the low power distance and weak uncertainty avoidance would encourage pro-innovative culture and entrepreneurship.

#### 2.2.2.3 Low power distance

As cultures become less individualistic and more collectivist, people are more likely to identify with the group to which they belong, diminishing the degree of control that they feel over their environments, but not necessarily diminishing their entrepreneurial propensity (Thomas and Muller, 2000).

Knowledge about how the Somali cultural setting is translated to entrepreneurial setting is limited. This proposal addresses that particular topic.

#### 2.2.3 Entrepreneurship in developing countries

### 2.2.3 Empirical Studies on Culture and Entrepreneurship

Studies have correlated entrepreneurship and culture and the conclusion has been that entrepreneurship is compatible with certain cultural aspects and social norms than others (Dana, 1998; Inguis, 2003). Other studies have also given insights on the role of culture on entrepreneurial development, Manimala (1999). Davidson et. al 1997 found that values and beliefs of individuals in a community have an influence on new business formation

The principle of individualism is the degree the society reinforces individual or collective achievement. High individualism within a given society is an indication

that individual rights are paramount. Individuals in this society tend to form a larger number of loose relationships. On the reverse, low individualism typifies societies of a more collectivist nature with close social between individuals. These cultures reinforce extended families and collectivism where every member takes responsibility of fellow members of their group (Hofstede 2001).

Wennekers et. al., 2002 studied the relationship between business ownership and Hofstede Cultural dimensions. They found that business ownership rates correlated positively with high power distance and high uncertainty avoidance but neither with individualism nor masculinity. Hayton et al., 2002 identified the likely optimal conditions for enhancing entrepreneurship as high individualism, high masculinity, low power distance and low uncertainty avoidance. Burns, 2003 also made similar conclusions.

In Dickson, 1995 study that explained variations in business practices between developing and a developed country, differences emerged on cultural variables such as kinship structures, marriage arrangements, gender relations, and factionalism. The author concluded that significant differences in cultural factors explained the diverse business practices- businesses in developed world aims at maximizing monetary profit, must be competitive, accumulates assets and have factions based on interest while businesses in developing countries aims at maximizing social profit, must be generous, distribute assets and have factions based on kinship.

Although culture develops overtime, it is environmental. Societies can create policies and norms that encourage entrepreneurial behavior meaning that within a generation, a society or community of people can become more or less entrepreneurial. Understanding the cultural and social underpinnings of a particular community, region or even subculture such as rural, can provide an appropriate starting point for building a more entrepreneurial society and economy. A central aspect of rural culture is that most of them are conservative in nature. Rural cultures

do not motivate individuals to be entrepreneurial. Most of the rural cultures are rooted in the reality of small and intimate places that provide motivation to 'get along' or 'fit in'. These pressures of belonging to the group are fundamental in discouraging entrepreneurship. The 'group' norm can inhibit entrepreneurial behavior and undermine support for innovators. In rural cultures people personally know each other and the economic interconnections are strong hence the price of economic success or failure is high (Hofstede, 1990).

The 'group' norm requires conformist behavior. It is important that one does well, but not significantly better than the neighbors, too much success upsets the social balance and interrelationships. On the other hand failure impacts your neighbors, family and friends personally (Buckley, 1996).

Little work has however been done and documented on Somali customary practices, religion and entrepreneurial development. Articles in the web site on Somali culture have mostly focused on relationship between the beliefs and religious practices. The papers have focused on the Somalis appetite for leisure (for instance chewing khat-miraa), nomadism [camel and goat raring], child naming and circumcision. As a tribe Somalis have embraced Islamic religion as their way of life and in most cases they exhibit and practice, polygamy and high level communal responsibilities with most of them living communally and caring for each other.

That communal responsibility has been evidenced by business responsibility and the desire to create business empires in urban centers. There is evidence among the Somali ranks that those who are economically endowed support the less fortunate among them by lending business loans interest free. Those lent succeed in business and apart from repaying back the lent capital, they are under the social responsibility of lending another and the process continues thus creating the multiplier effect.

### **2.3 Summary gaps to be filled by the Study**

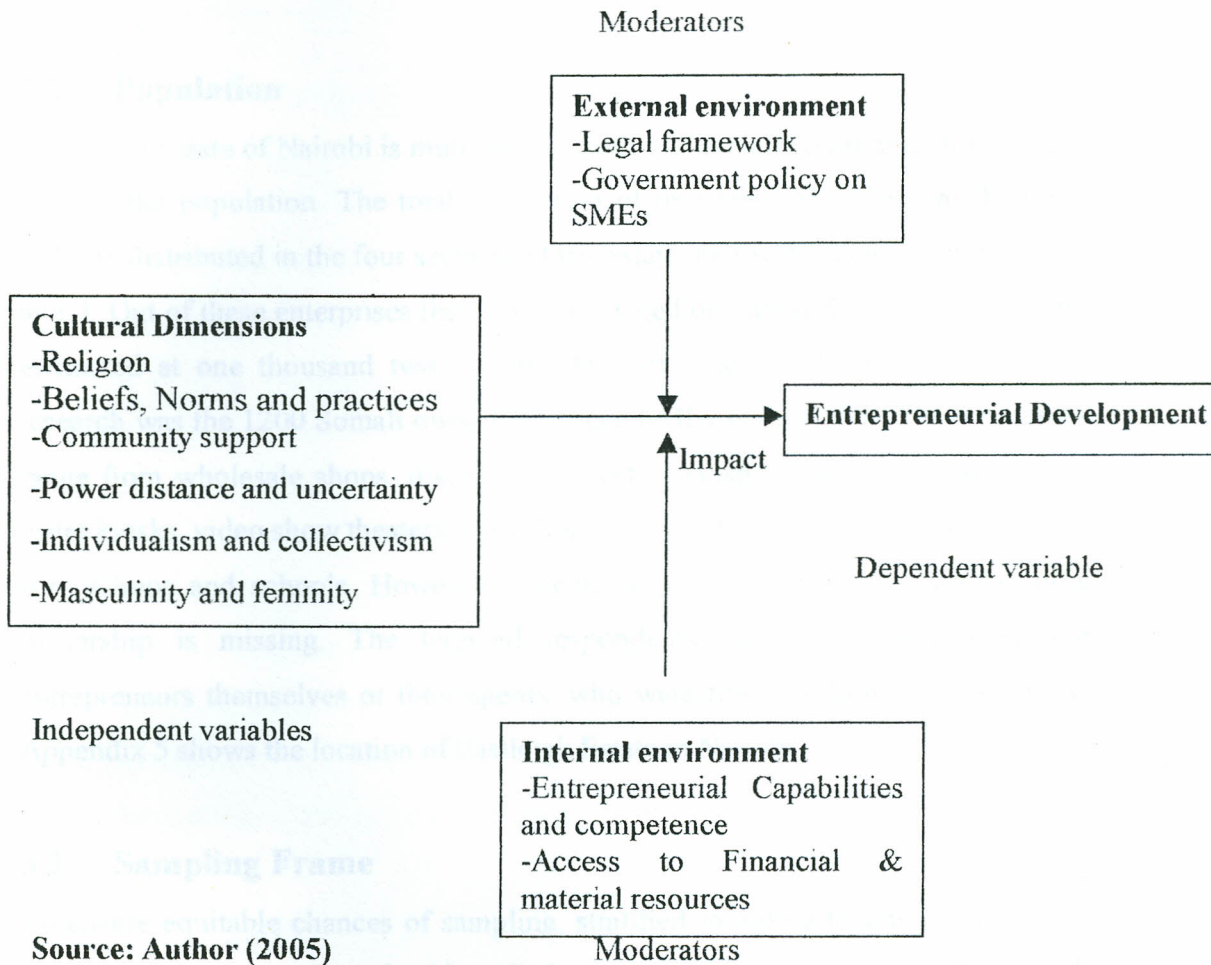
The Somalis are a closely-knit community. The culture of collectivism is well nurtured among them. Other practices that can be viewed as high in “Quality of life” include high emphasis on rituals and celebrations. There is also some great aspect of power distance in the community. Furthermore the Somalis culture is too slow in evolution. There are clear variations between the ideal entrepreneurship conditions in the West and what is practiced among the Somali community. Though history has it that the Somali are highly business people; trading in camels and goats and maximizing business opportunities out of their own local environment, no specific published work has been recorded on the role that their culture plays in their entrepreneurial patterns. Korir, 2004 also says that studies correlating the impact of culture with entrepreneurial behavior in Kenya are still virgin. There is therefore need to study the impact of Somali culture on their entrepreneurial development patterns as pertains to extended family system and on enterprise start-up and sustenance. The research questionnaire is meant to unravel the relationship between these factors and the community’s entrepreneurial prowess.

There may be some benefits at business formation stage with financial, labour and emotional support from the wider family and clan members. Researcher’s preliminary dialogue with some of the community members reveals that those who are economically endowed advance interest free business loans. Those beneficiaries are expected to prosper, refund the loan and loan other people thus creating the multiplier effect. This, it is argued, has propelled their business empire. The study is likely to unravel the impact of this social behavior on growth and proliferation of businesses among the Somalis who seem to be invading the major Kenya urban centers with a storm especially the establishment of business empires in specific urban settings for example the “Garrisa Lodges”. This will fill the gap in understanding the role that the Somali Culture has played in shaping the common belief that the Somalis are just nomads and not in a position to compete equally in the business front. The anecdotal examples of perceived ethnic variations in

entrepreneurship that has tended to portray the populous communities as being more entrepreneurial and the minority communities as having less entrepreneurial (Iguisi, 2002) is also to come to test.

Figure 2.1 presents the conceptual framework for the study.

**Figure 2.1: Conceptual Framework**



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The research design used in this research was descriptive survey method due to the large population involved. This enabled deep and detailed responses by the respondents to the issues raised in questions.

#### **3.2 Population**

Eastleigh Estate of Nairobi is multi-ethnic; with the Somali community forming the bulk of the population. The total population of registered SMEs is two thousand (2,000), distributed in the four sections of the estate, that is: Eastleigh section 1, 2, 3 and 4. Out of these enterprises the Somali managed or owned SMEs businesses are estimated at one thousand two hundred (1,200). The target population for this research was the 1200 Somali owned/ managed SMEs in Eastleigh. The businesses range from wholesale shops, distributors, kiosks, transport (matatus), food stores, water kiosks, video show theaters, workshops, real estate, health centers, hair salons, barbershops and schools. However, specific data that distinguishes on business ownership is missing. The targeted respondents for the research were the entrepreneurs themselves or their agents, who were from the Somali Community. Appendix 5 shows the location of Eastleigh Estate in Nairobi.

#### **3.3 Sampling Frame**

To ensure equitable chances of sampling, stratified sampling technique was used. The businesses were categorized into distinct types as shown in table 3.1. From each category, a proportional 10% random sample size was drawn making a total sample of 120 SMEs. Mugenda and Mugenda (1999) further says that where the population of interest is relatively large (more than 300), a 10% sample size is representative and optimizes on cost implication and the sampling of the sampling mean converges to that of the population.

**Table 3.1: Somali Owned Businesses in Eastleigh**

	Population	Sample	Proportion
Restaurants, hotels, and lodges	108	11	0.10
Book shops	42	4	0.10
Real estate and property agencies	24	2	0.10
Pharmacies, clinic and health centers	20	2	0.10
Shops /distributors- wholesale, retail and kiosks	496	50	0.10
Transport businesses	84	8	0.10
Food stores	72	7	0.10
Video show, theaters and movies	180	18	0.10
Workshops, garages and hardwares	36	4	0.10
Salons and barbershops	132	13	0.10
School- (Pre-unit, nursery, primary and religious)	6	1	0.10
Total	1200	120	0.10

**Source: Author (2005)**

### **3.4 Data Collection Procedure**

This study used primary data collected through structured questionnaires. For purposes of data validation, the researcher first conducted a pilot survey of 10 respondents picked randomly from the study area. The questionnaire was then restructured to take care of the lessons from the pilot survey and the final collection commenced on a drop-and-pick basis at the respondents' business ventures. The questionnaires aimed at collecting information about the influence of the Somali culture on the community's entrepreneurial development, the history of those cultural practices and the influence of these practices on entrepreneurial development of the community. The questionnaire is an effective method of collecting elaborate data on large samples and can easily be analyzed (Mugenda and Mugenda, 1999).

### **3.5 Data Analysis**

Data was checked for accuracy, completeness, errors and omissions and then analyzed and presented in frequency, percentages, pie and bar charts, correlation and regression.

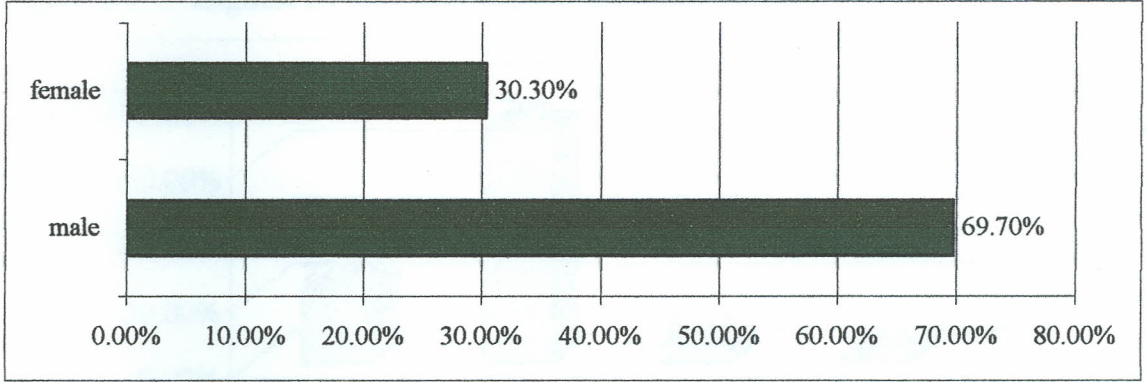
# CHAPTER FOUR

## DATA ANALYSIS AND INTERPRETATION OF RESULTS

### 4.1 Quantitative data analysis

#### 4.1.1 Characteristic by Gender

**Figure 4.1 Sex of the respondents**



Source: Survey Data (2005)

Sample Size (n)=120

Figure 4.1 shows that 69.7% of the respondents are males while the remaining 30.30 % are females. This implies that the management of Somali businesses in Eastleigh is male dominated and females are yet to match their male counterparts in entrepreneurship management.

#### 4.1.2 Marital Status

**Figure 4.2 Marital status**



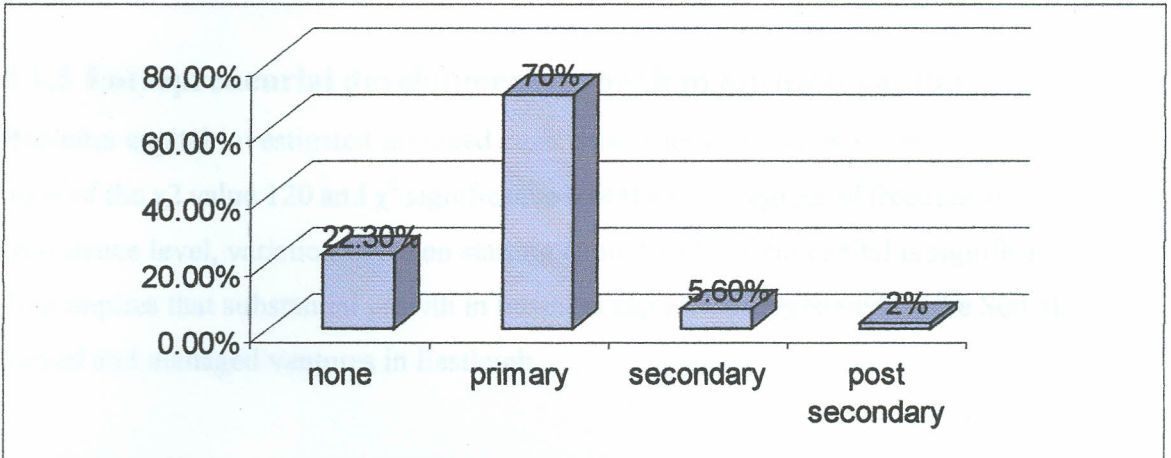
Source: Survey Data (2005)

Sample Size (n)=120

Figure 4.2 shows that 90% of the respondents interviewed are in marriage relationships 5% widowed and 3% single. Separated and divorced respondents were 1% each. This implies that the Somali culture exhibits greater emphasis on marriage.

### 4.1.3 Education

**Figure 4.3 Highest level of education of the respondents**



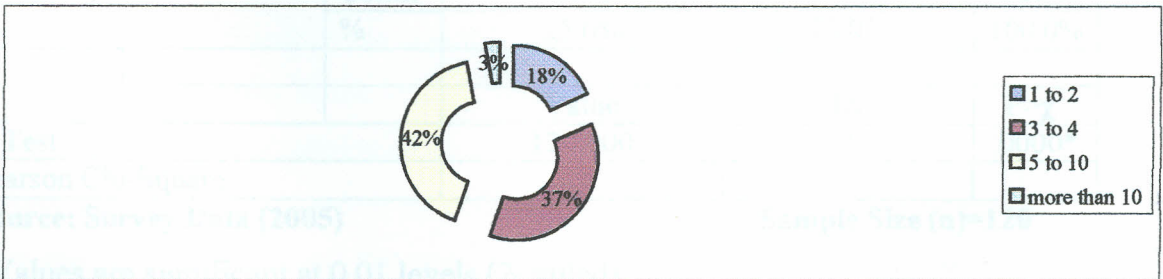
Source: Survey Data (2005)

Sample Size (n)=120

Figure 4.3 indicates that 7.60% of the respondents have post-primary formal education. The remaining 99.4% have either primary or no formal education. The level of formal education among majority respondents is therefore low and not likely to support key business operations that are entirely dependent on literacy and knowledge.

### 4.1.4 Size of Households

**Figure 4.4 Size of Household**



Source: Survey Data (2005)

Sample Size (n)=120

The data in figure 4.4 shows that 79% of respondents have household sizes of 5 and/or more while 21% have household sizes of 4 and below. The respondents attributed the large family sizes to relatives and other disadvantaged members of the Somali community arising societal relationships. Supporting large households may result in disrupted business cash flows.

#### 4.1.5 Entrepreneurial development (growth in business capital)

Business capital investigated included cash, stocks and capital investments. On the basis of the  $\chi^2$  value 120 and  $\chi^2$  significance 0.000 with 4 degrees of freedom at 99% confidence level, variation between starting capital and current capital is significant. This implies that substantial growth in business capital was registered by the Somali owned and managed ventures in Eastleigh.

**Table 4.1 Chi-square test for growth in business capital (current capital versus starting capital)**

			Estimated current capital		Total
			51,000-100,000	Over 100,000	
Estimated starting capital	Below 10,000	Count	3.0	7.0	10.0
		%	8.3%	.0%	8.3%
	11,000-30,000	Count	5.0	15.0	20.0
		%	16.7%	.0%	16.7%
	31,000-50,000	Count	5.0	15.0	20.0
		%	.0%	16.7%	16.7%
	51,000-100,000	Count	7.0	22.0	30.0
		%	.0%	25.0%	25.0%
	Over 100,000	Count	10.0	30.0	40.0
		%	.0%	33.3%	33.3%
Total		Count	30.0	90.0	120.0
		%	25.0%	75.0%	100.0%
			Value	Df	$P > \chi^2$
$\chi^2$ Test			120.000	4	.0000*
Pearson Chi-Square					

Source: Survey Data (2005)

Sample Size (n)=120

\*Values are significant at 0.01 levels (2- tailed)

Table 4.1 shows that correlation between current and starting capital is significant at 99% confidence level. Pearson correlation value of 0.83 indicates a strong positive relationship between current capital and starting capital. The Somali owned and managed enterprises have recorded significant growth in business capital.

**Table 4.2 Relationship between current capital and starting capital**

		Estimated starting capital	Estimated current capital
Estimated starting capital	Pearson Correlation	1	.838(**)
	Sig. (2-tailed)	.	.000
	N	120	120

Source: Survey Data (2005)

Sample Size

(n)=120

\*\* Correlation is significant at the 0.01 level (2-tailed)

#### 4.1.6 Effect of Somali culture on entrepreneurial development

**Table 4.3 Somali religious practices that affect business ventures.**

Responses	Percentage (%)
Daily prayers	67%
Friday prayers	32%
Ramadan	23%
Eid-Fitr	11%
Pilgrimage	1%

Source: Survey Data (2005)

Sample Size

(n)=120

Table 4.3 indicates that daily prayers effect business operations as confirmed by 67% of the study participants. While 32% pointed Friday prayers, 23% Ramadan and 11% Eid-Fitr, 1% indicated pilgrimage. Religious practices affect Somali community's entrepreneurship development as pointed out by 84% of the respondents interviewed. The respondents associated the spirit of giving and brotherhood with religious teachings. Successful entrepreneurs support their relatives by advancing to them the initial venture capital (financial and other material support). Majority (89%) of the

respondents indicated that the Islam, the religion to which most of the community belongs, prohibits financial borrowing at interest rates, thus limiting the entrepreneurs' full participation in the credit markets for the Community. However they argued that the religious limitation on financial borrowing at commercial rates has helped develop informal funding sources among the Somali entrepreneurs.

**Table 4.4 Common Somali Cultural practices carried out to date**

<b>Responses</b>	<b>Percentage (%)</b>
Brotherhood and communal support for less fortunate	99.6%
Child circumcison	96%
Wedding ceremonies and parties (Melissa)/ marriages	93%
Pastrolism	89%
Burial rites	85%
Female genital mutilation	29%
Wife inheritance/ remarriages	14%

**Source: Survey Data (2005)**

**Sample Size (n)=120**

Table 4.4 indicates that brotherhood and community support are the most prevalent cultural practices among the Somali people in urban centers, as confirmed by 99.6% of the study participants. Prevalence in child circumcison was rated 96%, wedding ceremonies, marriages, and general parties by 93% and pastrolism by 85%. Female genital mutilation and wife inheritance or remarriages were however rated as less prevalent by 29% and 14% of the respondents respectively. Burial rites consume business time while brotherhood and communal support drains business resources. This is likely to disrupt financial operations and affect profits.

### 4.1.8 Reasons why Somali cultural practices are still upheld

**Table 4.5 Why the Somali cultural practices are carried out**

Responses	Percentage (%)
Fortify religion and the teachings of the Quaran/ pillar of religion	95%
Preserve Somali traditional culture	82%
Progeny	75%
Transition	63%
Enhance morality in society	42%
Alternative economic activity/ diversification	33%

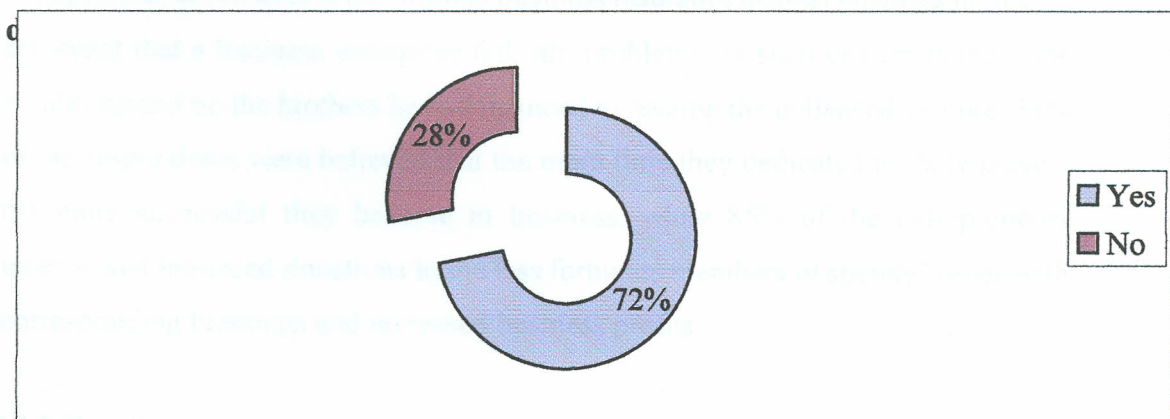
Source: Survey Data (2005)

sample size (n)=120

Table 4.5 shows that 95% of the study participants justified the practice of the mentioned cultural practices on religious grounds, while 82% said the practices help preserve the Somali traditional culture. Marriage ceremonies and wedding celebrations are practiced on the basis of progeny (75%); circumcision and female genital mutilation as transition (63%) and morality (42%) and pastoralism for diversification of economic activities (33%). Religion therefore seems to be a significant driving force behind preservation of the Somali culture.

### 4.1.7 Role of Somali culture on entrepreneurial development

**Figure 4.5 Effect of Somali cultural practices on entrepreneurship**



Source: Survey Data (2005)

Sample Size (n)=120

Figure 4.5 indicates that 72% (86) of the respondents are of the view that Somali cultural practices affect the community's entrepreneurial patterns to culture.

On how the cultural practices affect entrepreneurial development of the Somali community, 4% of the study respondents pointed out that the cultural practices encouraged dependency syndrome among the community members as business profits and capital are diverted to support the poor who cannot meet their financial obligations. Majority (96%) however associate the culture of donation and supporting the less fortunate with blessing for enhanced business growth (the more one gives/ supports, the more one gets), 30% pointed out business discrimination resulting from the stereotype that some businesses are a preserve of men, while 52% pointed out frequent business interruption/closure during the daily prayers (5 times in a day) and the Friday prayers, resulting in loss of business and sales. 15% of the participants indicated that low business activity is recorded during the month of Ramadan. These findings imply that the religious practices result in reduced business hours and resources. This trend is likely no to foster entrepreneurship development.

However, beliefs such as helping fellow Muslims in business brings blessings were implicated by 93% of the study participants as influencing business performance. Seventy two percent (72%) were of the opinion that supporting their relatives into entrepreneurial ventures is an informal business insurance against business failure. In the event that a business enterprise fall into problems, in such circumstances, one would depend on the brothers he had financed to revamp the collapsed venture. 54% of the respondents were believed that the more time they dedicated to daily prayers the more successful they become in business, while 85% of the entrepreneurs interviewed indicated donations to the less fortunate members of society comes with corresponding blessings and increased business profits.

Majority (96%) of the study participants indicated that the Somali community support for one another had great influence on entrepreneurial development. The

participants indicated that they have developed entrepreneurial skills, knowledge and resources through community support. The model is that of collectivism culture where successful entrepreneurs mentor relatives in key and basic business skills (stocking, importation and procurement, selling, and basic accounts and book keeping) for a period of between one to two years. Once they have acquired the necessary business skills to enable them run and manage their businesses, they are expected to come up with a business opportunity, which after they are provided with business resources (financial and materials). The new business venture is expected to grow and support, on the minimum, two less fortunate relatives or other less fortunate members of the community. The process continues in the same manner and over and over again. The resulting scenario is that of multiplier effect of entrepreneurship development. The support extends also to paying school fees for the children of the less fortunate relatives. The Somali people are of the opinion that education (formal or informal) is the foundation of the community development, which extends to entrepreneurial development. Four percent of the respondents however were of the view that the community support breeds dependency syndrome where other members of the society are not motivated to work hard. The trend affects business cash flows and creates idlers.

## **4.2 Summary of Findings**

The typical profile of study respondents based on the data is that 69.7% of Somali enterprises in Nairobi arte are managed and owned by males. Ninety percent of the respondents are married, 99.4% have either primary or no formal education, and 79% have household sizes of 5 and / or more. On Somali cultural practices, 99.6% of the study participants indicated that brotherhood and community support are the most prevalent cultural practices in urban centers. Prevalence in child circumcision was rated 96%, wedding ceremonies, marriages, and general parties by 93% and pastrolism by 85%. Female genital mutilation and wife inheritance/ remarriages were however rated as less prevalent by 29% and 14% of the respondents respectively. While 95% of the study participants justified the practices on basis of

religion, 82% said the practices help preserve Somali traditions Marriage and wedding ceremonies are practiced for progeny (75%); circumcision and female genital mutilation as transition (63%) and morality (42%) and pastoralism for diversification of economic activities (33%).

### Religion in business

On the Somali community's entrepreneurial development patterns, implied that provision of business capital, community support and religious obligations significantly influence business growth in. While four percent of the study respondents pointed out that the cultural practices encouraged dependency syndrome among the community members as business profits and capital are diverted to support the poor who cannot meet their financial obligations, the majority (96%) were of the belief that donating and supporting the less fortunate brings blessings for enhanced business growth. Friday prayers were pointed out by 52% of the respondents to be time consuming and a lot of business time due to closure of businesses thus resulting in reduced sales, while 23% of the respondents implicated high costs incurred during pilgrimage as likely to interrupt business and therefore affect cash flows. Thirteen percent of the study respondents indicated that gifts bought on Eid-Fitr holidays affect capital flow while 4% said that restaurant and hotel businesses are greatly affected during the whole month of Ramadhan since Muslims are not allowed eat during the daytime.

On external environments, majority of the respondents were of the opinion that the Government of Kenya has not measured up to their expectations in providing the necessary support and environment that would enhance development of small and medium size enterprises in the country. They cited the existence of bureaucratic business registration processes, lack of proper government policy on SMEs, poor road infrastructure and lighting which have resulted in insecurity in Eastleigh Estate.

While going to the bank for a loan, most of the respondents said that they

access support from the entrepreneur -

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions

Religion is the major Somali cultural practices that affect entrepreneurship. This is because other elements of Somali culture derive their existence within the wider scope of religious practices. The Somali community's entrepreneurship development patterns operate and are modeled on communal synergy resulting in a model of multiplier effect.

On how cultural perspectives enhance entrepreneurship development, it can be deduced that the Somali community practice a tight and collective culture laced with and operated within the wider aspect of religion and teachings of the Holy Quran. They hold spectacular cultural practices intertwined with the Islamic faith that affects entrepreneurship. The community's social and cultural oriented fosters entrepreneurship development as demonstrated by their collectivism on many societal issues. The Somali Community culture on its own can therefore be regarded as social capital in the relationships and networks from which members can derive institutional support that is cumulative hence having multiplier-effect on entrepreneurial development.

Patterns of informal insurance are eminent among these Somali community business owners as risks in venture failures are covered through community support. This implies almost an uncertainty free business environment among the community's entrepreneurs. The business mentoring model among the Somali entrepreneurship confirms and resonates with the findings of Bandura (1997) on the human capacity to learn by observation enables others to learn from other model entrepreneurs.

While gains in entrepreneurial startups may be achieved through the mentoring and business support programs, the entrepreneurs' support for the less fortunate in the

society through provision of consumables breed a dependency syndrome which may outplay the gains so far.

The overall conclusion is that culture is a casual agent of entrepreneurial development and the Somali culture intertwined with religion fosters the development of entrepreneurial skills, venture funding and sustainability.

## **5.2 Recommendations**

The community entrepreneurs are recommended to adopt a collective and sustainable community support strategy that will pool resources towards business mentoring programmes, startups and insurance. Support for other causes like consumables to the less fortunate should be limited.

The Somali community also needs to open up to formal credit markets sources to foster their business resource capacity for enhanced entrepreneurial development. The level education qualifications among majority of the respondents signify the need for skill and business upgrading programmes in core business operations of book keeping, sales marketing, procurement and risk assessment.

The multiplier effect model of entrepreneurship supported by the Somali culture acts as reference point for other Kenyan communities with cultural inclination to community support systems. Other development partners working on economic empowerment projects at the community level in Kenya can also borrow from the model for purposes of sustainability and poverty reduction.

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APPENDIX 1: RESEARCH AUTHORIZATION FROM KENYATTA  
UNIVERSITY



**KENYATTA UNIVERSITY**  
**SCHOOL OF BUSINESS**

TEL: 810901-19 EXT 57215  
FAX: 811455/811575

P.O. BOX 43844,  
NAIROBI,  
KENYA.

Website: [ku.ac.ke](http://ku.ac.ke), E-mail: [kuvc@nbnet.co.ke](mailto:kuvc@nbnet.co.ke)

05/08/ 2005

**TO WHOM IT MAY CONCERN:**

Dear Sir/Madam,

**RE: RESEARCH PROJECT: DATA COLLECTION**

MARY MUMBI KARIUKI : D53/6153/03

This is to confirm that the above named is an M.BA student in the School of Business, Kenyatta University, and she/he is embarking on her/his project this semester before she/he completes her/his degree programme.

Any assistance you may accord her/him will be highly appreciated.

  
DR. M. KHAYOTA

**CO-ORDINATOR POSTGRADUATE PROGRAMS**

APPENDIX 1: RESEARCH AUTHORIZATION FROM THE MINISTRY

MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY

Telegrams: EDUCATION", Nairobi

Fax No.

Telephone: 318581

When replying please quote



REPUBLIC OF KENYA

JOGOO HOUSE  
HARAMBEE AVENUE  
P. O. Box 30040  
NAIROBI  
KENYA

**MOEST 13/001/35C 406/2**

**5<sup>th</sup> August, 2005**

**Mary Mumbi Kariuki  
Kenyatta University  
P.O. BOX 43844  
NAIROBI**

Dear Madam

**RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on "The role of culture on entrepreneurial Development among Kenya Communities: A case study of Somali Community in Nairobi".

I am pleased to inform you that you have been authorized to carry out research in Eastleigh and Pumwani Divisions in Nairobi, for a period ending 30<sup>th</sup> August, 2005.

You are advised to report to the Provincial Commissioner, the Provincial Director of Education and the District Officers in charge of Eastleigh and Pumwani Areas before embarking on your research project.

Upon completion of your research, you are expected to submit two copies of your research findings to this Office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B. O. Adewa', written over a horizontal line.

**B. O. ADEWA**

**FOR: PERMANENT SECRETARY**

**Cc**

The Provincial Commissioner  
Nairobi

The Provincial Director of Education  
Nairobi

**The District Officer In-Charge**

**Pumwani Area**

**Nairobi**

**Eastleigh Area**

**Nairobi**

### APPENDIX 3: LETTER TO THE RESPONDENTS

Mary Mumbi Kariuki,  
P.O. Box 57419-00200,  
Nairobi

Dear Respondent,

#### **RE: REQUEST FOR PARTICIPATION IN THE RESEARCH**

My name is Mary Mumbi Kariuki currently undertaking a Masters degree in Entrepreneurship at Kenyatta University. Part of this programme is research that involves data collection. You have been selected to participate.

You are therefore requested to fill the attached questionnaire. Data collected will entirely be used for academic purposes and no part of research will contain information that will be indirect reference to your enterprise. All information will be treated with strict confidence.

Thanks for your co-operation.



**MARY MUMBI KARIUKI**

## APPENDIX 4: QUESTIONNAIRES

Date filled...

Serial Number.....

This questionnaire is in two parts. Part one and part two.

### PART ONE:

**This part contains questions about you, your family background and business type. Please answer all questions.**

1. Gender of respondent ( ) Male ( ) Female
2. Marital status ( ) Single ( ) Married ( ) Divorced ( ) Widow/widower  
( ) Separated
3. Business type? .....
4. Highest level of education of the entrepreneur  
( ) None ( ) Primary ( ) Secondary ( ) Post secondary ( )
5. Size of household  
( ) None ( ) 7-8 ( ) 1-2 ( ) 9-10  
( ) 3-4 ( ) Over 10 (Specify) ..... ( ) 5-6
6. Estimated starting business capital  
( ) Below 10,000 ( ) 11,000 - 30,000 ( ) 31,000 - 50,000  
( ) 50,000 - 100,000 ( ) Over 100,000
7. Estimated current business capital  
( ) Below 10,000 ( ) 11,000 - 30,000 ( ) 31,000 - 50,000  
( ) 50,000 - 100,000 ( ) Over 100,000

### PART TWO:

**This part contains questions pertaining to your community and cultural practices. Please indicate your answer by ticking or writing in the space provided as the case may be.**

8. Specify Major Somali cultural practices which affect entrepreneurial development?  
.....

9. Are the above cultural practices being practiced to date?

Yes ( )                      No ( )

Explain how.

.....  
 .....

10. What emotions (emotional feelings) do you have when you are doing entrepreneurial venture?                      ( ) Joy                      ( ) Successful                      ( ) Excited

( ) Sophisticated    ( ) Adventurous    ( ) Safe  
 ( ) Inspirational

11. How can you classify the influence?    (Tick one)

( ) Minimal    ( ) Average    ( ) Quite significant

12. To what extent does your culture influence the following? (Tick)

	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Disagree
My culture influences the entrepreneurial venture					
Determining the business venture					
Determining loyalty to business venture					

13. Is there any special influence from cultural practices that were adopted long ago?

( ) Yes                      ( ) No

Explain your answer

.....  
 .....

14. Which customary practices consume a significant portion of your money year and why?

Customary practice	Amount year	Reason	Comment
Friday prayers			
Ramadhan			
Eid-Fitr			
Riba(loan)prohibited			
Pilgrimage			

15. (a) Which of the following cultural/religious practices affect your business?

- ( ) Friday prayers
- ( ) Ramadhan
- ( ) Eid-Fitr
- ( ) Riba (loan) prohibited
- ( ) Pilgrimage

(b) Explain How?

.....  
16. What should be done to change the negative or maintain the positive aspects of the above practices where they exist?  
.....

17. Comment generally on how your cultural practices affect business.  
.....

18. Explain how the factors listed below impact on your entrepreneurial development capacity (Business pre-start, start-up, growth and maturity, ventures and initiations)

**a. Order of birth in the family**  
.....  
.....

**b. Religion**  
.....  
.....

**c. Beliefs**  
.....  
.....

**d. Community support**  
.....  
.....

**e. Access to resources (Financial & material)**  
.....  
.....

**f. Legal framework and Government policy on SMEs**  
.....  
.....

**THE END**

Thank you for your time and participation in this important study. All the information you have given will be treated in strict confidence.

## APPENDIX 5: BUDGET PLAN

<b>Activity</b>	<b>Cost Estimate (Ksh)</b>
Proposal writing	15,000.00
Books, periodicals internet – hire, buying and surfing	5,000.00
Data collection and analysis	30,000.00
Report writing/binding	3,500.00
Contingency	4,500.00
<b>Total</b>	<b>58,000.00</b>

Source: Author 2005

KENYATTA UNIVERSITY LIBRARY