

**ANALYSIS OF GENDER DIFFERENCE ON
ENTREPRENEURIAL SELF-EFFICACY IN KENYA: CASE
OF SMALL AND MEDIUM ENTREPRENEURS IN GITHURAI
TRADING CENTER, NAIROBI**

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**RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS OF THE DEGREE
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*Analysis of gender
difference on*




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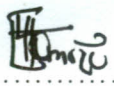
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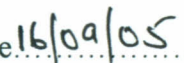
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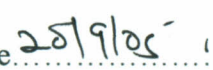
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DEDICATION

I dedicate this academic work to my children who gave me a lot of inspiration during my reading and I am sure they are going to emulate my footsteps.

ABSTRACT

Proceeding on the basis of performance differences between male and female owned enterprises, the research analyzed the gender difference on entrepreneurial self-efficacy among Small and Medium Entrepreneurs at Githurai Trading Center, Nairobi Kenya. Descriptive survey design was adopted using structured questionnaires that were administered to a sample size of 150 respondents. Descriptive statistics and chi-square statistical analysis methods used.

Data from research indicate that men report significantly higher levels of entrepreneurial self-efficacy than women. The factors that determine gender differences on entrepreneurial self-efficacy among Small and Medium Entrepreneurs included believe in accomplishing difficult tasks; believe in obtaining important outcomes; believe in success overcoming of challenges and confidence in effective performance in different tasks. Findings show that variances in entrepreneur's competences reflect on gender differences in entrepreneurial self-efficacy. Findings also imply that that entrepreneurial self-efficacy explain the performance differences between male and female-owned firms as males who believe they can obtain important business outcomes also recorded higher growth margin than their female counterparts.

Since self-efficacy is closely related to self-beliefs about personal capabilities and the to be motivated to act, entrepreneurs must perceive themselves as capable and have the positive attitude to succeed, female entrepreneurs are recommended to focus on improving their self-belief; belief in ability to influence achievement of goals, which are

important achievement of enhanced entrepreneurship actions. Variations in marketing and management competences between males and females calls for the female entrepreneurs to adopt strategic business skills improvement programs

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LIST OF ABBREVIATIONS

ANOVA:	Analysis of Variance
EC:	Entrepreneurial Capital
ESE:	Entrepreneurial Self-Efficacy
U.S:	United States
SME:	Small and Medium Enterprises
SPSS:	Statistical Package For Social Scientists

DEFINITION OF TERMS

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. Hisrich et. al (2005) defines entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

Self-efficacy: Bandura (1997) self-efficacy conceptualizes as one's level of confidence in performing a specific task and is the central cognitive motivator predicting behavior

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).

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background Information

Research suggests that self-efficacy play a significant role in entrepreneurship (Markman, Balkin, and Baron, 2002). Many empirical studies have found a positive relationship between self-efficacy and entrepreneurial action (Chen, Green, and Crick, 1998; Markman, et al., 2002). Self-efficacy is concerned not with the number of skills have but with what you believe you can do with what you have under a variety of the circumstances (Bandura, 1997).⁶

Krueger (1999) says that the act of venture creation is planned behaviour, so entrepreneurship intent is a predictor for an individual taking further entrepreneurial action. The individual's perception of self-efficacy in the field of entrepreneurship, Krueger argues, is therefore a positive influence on her entrepreneurial intent which will then be achieved as entrepreneurial action.

Scholarly literature on entrepreneurial behavior, attitudes and intentions are substantial. At the forefront of research are the big five personality dimensions, which are risk-taking, need for achievement, need for autonomy, locus of control and self-efficacy (Urban, 2004). The construct of self-efficacy plays an important role as an antecedent for promoting perceived possibilities of ventures. Self-efficacy believes influences what challenges to undertake and how long to persevere in face of obstacles. Self-efficacy is an

important motivational construct that influences individual choices, goals, emotions reactions, effort, coping and persistence. It refers to a person's convictions about his or her abilities and consequently an important set of cognition is self-efficacy or beliefs about one's capacity to perform at designated levels (Bandura, 1997, 2001).

Self-efficacy is anchored in a model of entrepreneurship, and is proposed as the entrepreneurial self-efficacy (ESE) construct. Chen et al (1998) propose that ESE construct predict the likelihood of one being an entrepreneur- that is ESE refers to strengths of a person's belief that he/ she is capable of performing various tasks of an entrepreneur. Those with high ESE seem to assess the environment as opportunistic rather than fraught with risks; they believe in ability to influence achievement of goals; and they perceive a low probability of failure. These studies suggest that entrepreneurs must have perceptions of high self-efficacy to face challenges of modern society (Urban, 2004). High levels of self-efficacy help individuals sustain effort until goals are reached. In the case of the entrepreneur, high self-efficacy sustains through the early stages of the start-up process when ambiguities concerning the role and possible success of the venture are high (De Noble et al, 1999).

Perceived self-efficacy is positively related to the intention of starting one's own business and exploring new opportunities. Empirical study into entrepreneurial self-efficacy showed significant and positive effect on the likelihood of an individual becoming an entrepreneur. Also, innovativeness and risk-taking were found to distinguish entrepreneurs from managers (Chen et al, 1998). The positive effect of self-efficacy on

individual motivation and performance is supported by Stajkovic and Luthans (1998) findings of significant correlation between self-efficacy and work-related performance. 'Perception of self-efficacy is a substantial antecedent of perceived opportunity. If we see ourselves as competent we are more likely to see a course of action as feasible, thus we are more likely to see an opportunity.' (Quoted in Dellabarca, 2001).

There is evidence that motivation and performance are determined in part by how effective people believe they can be. Individuals who score high on self-efficacy tend to try harder to master the challenge of difficult situations, show more persistence in the face of obstacles, respond to negative feedback with increased effort and motivation, set more challenging goals, and work harder and longer to achieve them. Perceived self-efficacy has been shown to predict effective use of analytic strategies in managerial decision-making (Wood, Bandura, & Bailey, 1990).

Urban (2004) in a review of empirical literature on the moderating effect of self-efficacy on entrepreneurship concludes with empirical evidence that the notion of entrepreneurial behavior is significantly influenced by individual differences in self-efficacy. Further, substantial; research in the field of entrepreneurial personality and entrepreneurial cognitions indicate that self-efficacy is one of the major determinants of entrepreneurship. With this evidence of the importance of self-efficacy in general, its role in sustaining intention, its conceptual alignment and its predictive power of work performance in the business world, it seems reasonable to expect that self-efficacy might play an important role in the development of entrepreneurs and their performance. The

understating of theoretical discourse and instruments of self-efficacy provides a solid foundation to answer the research questions.

1.2 Statement of the Problem

Reynolds et al. (2002) report that throughout the 37 countries participating in the Global Entrepreneurship Monitor, men are 50% more likely to be involved in entrepreneurial activity than women. Female-owned businesses have a lower performance in a number of areas relative to male-owned firms. Women-owned firms tend to engage in relatively under performing sectors, such as retailing and services (Van and Bais, 1996); are smaller in size (Carter et al., 1997); exhibit lower growth levels (Hulshoff et al., 2001); have a higher rate of discontinuing; and report lower profits (Carter et al., 1997). Could gender differences on entrepreneurial self-efficacy explain the performance differences between male and female-owned firms? Proceeding on the basis of enumerated problem indicators therefore; the research analyzes the gender difference on entrepreneurial self-efficacy among Small and Medium Entrepreneurs at Githurai Trading Center, Nairobi Kenya.

1.3 Objectives of the Study

The main objective of this study was to analyze the gender difference on entrepreneurial self-efficacy among Small and Medium Entrepreneurs at Githurai Trading Center, Nairobi Kenya.

The specific objectives will included:

1. To establish factors that determine gender differences in entrepreneurial self-efficacy among Small and Medium Entrepreneurs
2. To find out if variance in entrepreneur's competences reflect on the gender differences in entrepreneurial self-efficacy.
3. To establish if gender differences on entrepreneurial self-efficacy explain the performance differences between male and female-owned firms

1.4 Research Questions

This study sought information to address the following study research questions:

1. What factors determine gender differences on entrepreneurial self-efficacy among Small and Medium Entrepreneurs?
2. Does variance in entrepreneur's competences reflect on the gender differences in entrepreneurial self-efficacy?
4. Does gender differences on entrepreneurial self-efficacy explain the performance differences between male and female-owned firms

1.5 Rational/ justification of study

The study will contribute to the entrepreneurship literature by analyzing the gender difference on entrepreneurial self-efficacy. To be motivated to act, entrepreneurs must perceive themselves as capable and have the positive attitude to succeed. The study is likely to reinforce the vital role of entrepreneurial self-efficacy and capacity building across gender dynamics in Kenya. It is expected to spur further research in the field of self-efficacy and entrepreneurship especially in Kenya.

1.6 The Scope of the Study

The was limited to determining the gender difference implications on entrepreneurial self-efficacy among Small and Medium Entrepreneurs in Githurai Trading Center, Nairobi Kenya. The choice of Githurai an outskirts-trading center is on the basis that most female entrepreneurs are likely to be found in city outskirts as suggested by McCormick (2001).

1.7 Limitation of the Study

The inability of the study respondents to communicate fluently in English-the study language posed a stumbling block to the research. The researcher however translated the questionnaire into Kiswahili to counter this limitation.

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CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Minniti et al. (1999) proposes that for each individual, the relative return of entrepreneurship is a function of the set of personal characteristics, the objective socioeconomic circumstances and the rate of entrepreneurship itself.

Self-efficacy, relates to the strength of a person's belief that he or she is capable of successfully performing specific roles and tasks. In the case of entrepreneurship it is a predictor of venture initiation and sustenance but primarily relates to the self-efficacy of innovation and risk taking (Chen et al., 1998). Gorman (1997) maintained that the transfer of knowledge and the development of relevant skills should increase self-efficacy and the effectiveness of the potential entrepreneur.

Chen et al. (1998) found convergent validity with locus of control, concluding that entrepreneurial self-efficacy is a belief-based construct and specifically relates to personal control. Analogous to locus of control, Robinson et al. (1991) also found that internal personal control will lead to a positive entrepreneurial attitude

Self-efficacy is linked to initiating and persisting to behavior under high uncertainty, to setting higher goals and to reducing threat rigidity and learned helplessness (Bandura,

1986), all of which resonates with desired entrepreneurial behavior. To be blunt: no self-efficacy, no behavior (Krueger and Brazeal, 1994 as cited in Urban 2004).

Unlike personal traits, self-efficacy can be developed through training and modeling (Stevens and Gist, 1997). Self-efficacy can also change through learning, experience and feedback (Gist and Mitchell, 1992).

Substantial body of evidence reviewed by Bandura (1997) supports the view that optimistic sense of efficacy fosters psychological well being and personal accomplishments through self-change, commitment and motivational involvement.

Urban (2004) says that if self-efficacy is viewed superficially, it appears similar to self-esteem, expectancy, locus of control, and attribution concepts of personality and motivation, however its self-efficacy believes emphasize an assessment capability (can I do this?) as opposed to outcome expectations (if I do this, what will happen?).

Regardless of cultural background, people achieve the greatest efficacy and productivity when their psychological orientation is congruent with the structure of the social system. Both at the societal and individual level of analysis, a strong perceived efficacy foster high group efforts and performance attainments (Boris, 2004).

2.2 Past Studies on Entrepreneurial Self-Efficacy

Past research on gender differences in self-perception has mainly focused on managerial self-perception. In general, these studies indicate that women tend to underrate their skills or performance as compared to men (Lindeman et al., 1995). This underrating has been attributed to the fact that women often do not take credit for success, attributing success to external sources or luck rather than to effort or ability (Rosenthal et al., 1996). Moreover, Rosenthal et al. (1996) argue that it may be 'proper female modesty' accounting for the underrating by female managers. Beyer (1998) and Beyer and Bowden (1997) argue that when (managerial) tasks and roles are perceived as more masculine than feminine, women are more likely than men to underestimate their competencies in these areas. Along these lines, several studies show that managers are perceived to have characteristics more commonly associated with men than with women (Powell and Butterfield, 1989 as reported in Ingrid et al., 2005).

Within the area of entrepreneurship, Fagenson and Marcus (1991, quoted in Ingrid et al., 2005) found that women assign more weight to masculine attributes in the profile of a successful entrepreneur. A study by Powell et al. (2002) found that, although managerial stereotypes place less emphasis on masculine characteristics than earlier studies suggest a good manager is still perceived to be predominantly masculine by both women and men. Hence, in spite of changes in the role of women globally over the past several decades, we may still find entrepreneurship to be associated with more masculine characteristics, such as autonomy, perseverance, high energy levels, self-confidence, and decisiveness

(Chaganti, 1986; as reported in Ingrid et al., 2005), and thus likely to negatively affect the entrepreneurial self-efficacy of women.

A number of other studies have found significant differences between men and women on entrepreneurial goals, beliefs, and behaviors. For example, Chen et al., (1998) found that female students had lower self-efficacy (effort-performance expectancy) for entrepreneurship than male students. Kourilsky and Walstad (1998) found that female youths were significantly less interested in starting businesses, less confident in their abilities, and less tolerant of market dynamics than males, findings consistent with earlier research (Crant, 1996; Matthews & Moser, 1996). However, Gatewood et al., (2001), in a study of nascent and non-nascent entrepreneurs, found that only non-nascent females had less confidence in their ability to start a business. Females who were working on a startup (female nascents) had similar confidence in their abilities as nascent males. One possible explanation for this difference is that nascent females may be increasing their self-confidence through task activity and experience (Lenney, 1977). We know that as experience increases, individuals rely more on attributions to past performance and current motivations as determinants of self-efficacy, i.e., effort-performance expectancies (Gist and Mitchell, 1992).

Entrepreneurship literature has also found that persons who believe that their skill and ability set is adequate for achieving success with a new venture are motivated to exert the necessary effort (Douglas & Shepherd, 2000; Gatewood et al., 2001). Gatewood (1991), reported in Elizabeth et al. (2002) however, argued that motivation might be undermined

when people's confidence in their capabilities is reduced through previous failure or through negative feedback about their abilities.

Busenitz's (1999) research also suggested that entrepreneurs lacking in personal confidence are less likely to take on the considerable risks of a new venture. The perceived risk, however, is also a function of the time horizon involved (Das and Bing-Sheng, 1997). In other words, if the risk is perceived to be immediate, some entrepreneurs might choose to desist from pursuing a new venture. Kourilsky and Walstad (1998), in a national study of entrepreneurial tendencies among youth, found that females were significantly less interested in starting businesses, less confident in their abilities, and less tolerant of market dynamics than their male counterparts, findings consistent with previous research (Crant, 1996; Matthews & Moser, 1996; Scherer, Brodzinski).

2.3 Empirical Literature

Self-efficacy has been found in other studies to relate to improved work performance. Anna *et al.* (2000) studied the success of women in both traditional and non-traditional new venture businesses and found that confidence in task skills predicted success in both domains. Baum and Locke (2004) studied over two hundred entrepreneurs over a period of six years and found that goals, vision and self-efficacy were the explanatory factors for new ventures which were more successful and had grown over time.

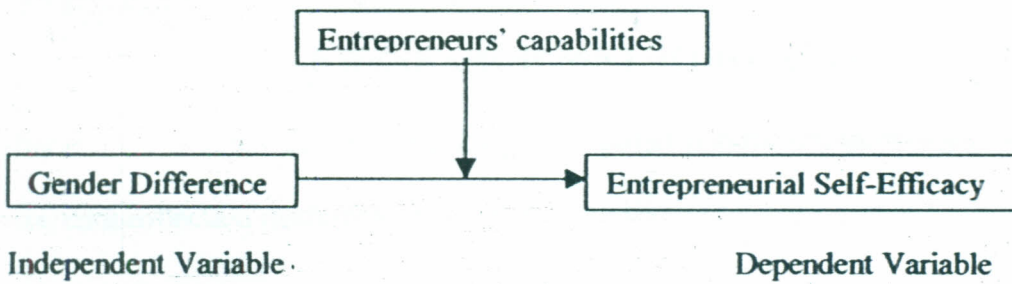
Empirical research suggests that male and female entrepreneurs have different effort and performance beliefs. An early review of sex differences (Elizabeth et. al 2002) showed very few differences between men and women. One of the few noted, however, was in achievement-related self-confidence. Self-confidence was lower for women than men.

Several reasons have been proposed to explain the performance differences between male and female-owned firms, including the level of relevant business experience (Cliff, 1998; Verheul and Thurik, 2001), the proportion of the total workweek committed to the business (Stigter, 1999), the propensity to take risks (Verheul and Thurik, 2001), age of the firm and the number of days a business operated (Watson, 2002), as well as the industry women are involved in (Watson, 2002; Verheul and Thurik, 2001). Other reasons refer to differences in values across gender, positing that women business owners are more likely to value quality and other goals not directly related to growth and economic performance (Rietz and Henrekson, 2000; Rosa et al., 1996; Verheul and Thurik, 2001; Verheul et al., 2002). While a growing body of research has concentrated on the gender disparity in entrepreneurial self-efficacy, little empirical research has been done on gender difference on entrepreneurial self-efficacy among Small and Medium traders in Kenya.

2.4 Conceptual Framework

Figure 2.1 illustrates the conceptual framework for the study. The researcher conceptualizes that Entrepreneurial Self-Efficacy (dependent variable) is a function of entrepreneurial gender differences (independent variable).

Figure 2.1: Conceptual framework



Source: Author (2005)

2.4.1 Measure and Operationalization of Entrepreneurial Self-Efficacy

Self-efficacy is closest to action and action intentionally can be used to predict and study entrepreneur's behavior choice and persistence as Krueger and Dickson (1994) demonstrate that a strong perception of self-efficacy increases the number of opportunities an individual will perceive. In developing self-efficacy scales, researchers draw a conceptual analysis and expert knowledge of what it takes to succeed in given pursuits (Urban, 2004). In the standard methodology in measuring self-efficacy beliefs, individuals are presented with items portraying different levels of past demands and they rate the strength of belief in the ability to execute the requisite activities. When operationally measuring self-efficacy, researchers typically ask respondents whether they can perform at specific levels on a specific task (yes or no) and they ask for the degree of confidence in that endorsement (rated on a near continuous scale from uncertainty to total certainty) at each specific performance level (Lee, 1994). The items of self-efficacy assessment are incorporated from Chen et al's 1998 entrepreneurial self-efficacy scale and the revised self-efficacy scale (Chen et al, 2001). The slightly restructured entrepreneurial self-efficacy instrument consisted of role/ tasks on yes/ no magnitude.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

This chapter outlines the research design, the target population, sampling procedure and size, data collection methodology and data analysis.

3.1 Research Design

Based on the nature of research questions formulated, it seemed desirable that the best design for data collection is descriptive survey design. The project comprised an empirical study with primary data sources. An attempt was made to determine the possible links between self-efficacy and the differential effect of gender.

3.2 Population

The study targeted all traders/ entrepreneurs operating/ owning registered SMEs in Githurai Market, Nairobi. Records from Githurai Market Association, the Nairobi City Council and the World Bank Enterprise Awareness Center put the total number of SMEs at 500. The table 3.1 the distribution by gender

Table 3.1: Population distribution by gender

Business ownership	Number	Percentage
Male owned	365	73%
Female owned	135	27%
Total	500	100%

Source: Author (2005)

3.3 Sample size and sampling design

A 30% sample size of 150-traders/ entrepreneurs operating and registered SMEs in Guthurai Market was selected for the study using stratified random sampling technique. The male and female owned enterprises were considered as strata. The entrepreneurs in the sample were picked through purposive sampling. Mugenda and Mugenda (1999) justify the 30% sample size as representative. Stratification ensures that similar population characteristics within a strata and characteristic differentials without a strata are captured in the sample. Purposive sampling is desirable in cases where a valid list of the study population cannot be established (Mugenda and Mugenda, 1999). Table 3.2 gives the sample design.

Table 3.2: Sample design

Business ownership	Population	Sample size	Proportion
Male owned	365	110	.30
Female owned	135	40	.30
Total	500	150	

Source: Author (2005)

3.4 Data collection

The data collection instrument adopted in this study was a structured questionnaire. The researcher self-administered the questionnaire with the help of a research assistant to the respondents for a period of two weeks at their business premises.

For purposes of data validation, a pilot survey of 10 entrepreneurs was conducted. The results and lessons from the pilot survey formed a basis of the major research. The structured questionnaire was chosen on the fact that this was an empirical study. The

questionnaire was adopted from the Chen et al's 1998 entrepreneurial self-efficacy scale as well as the revised new general self-efficacy scale (Chen et al, 2001).

3.5 Data analysis

Data from the field was cleaned of errors and omissions. It was then coded and entered into an access software database. The data was then analyzed using SPSS. Chi-square tests were run to analyze the relationship between independent variables. Significances of the chi-square tests were checked before making conclusions. All the research questions were answered using interpretations from two-tailed chi-squares at 95% probability level.

Data has been presented using descriptive statistics: frequencies and percentages.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF THE RESULTS

Data from the field was analyzed and presented in chi-squares, cross tabulations frequency distributions and percentage. A complete response rate was recorded for all the 150 questionnaires were fully completed and returned.

4.1.1 Factors that determine gender differences in entrepreneurial self-efficacy among Small and Medium Entrepreneurs

Table 4.1: Chi-square tests for gender differences in entrepreneurial self-efficacy

	χ^2 Value	Df	p-value Sig.
When facing difficult tasks, I am certain I will accomplish them	14.560	1	.000
In general, I think I can obtain outcomes that are important to me	17.846	1	.000
I will be able to successful overcome many challenges	23.359	1	.000
I am confident that I can perform effectively on many different tasks	4.868	1	.027

Source: Survey Data (2005)

On the basis of the chi-square values and p-values in table 4.1 at 95% level of confidence, the gender differences in entrepreneurial self-efficacy among small and medium entrepreneurs are significant. The extent of the gender differences are explained in tables 4.2, 4.3, 4.4 and 4.5.

Table 4.2: Self efficacy factor 1

When facing difficult tasks, I am certain I will accomplish them		Gender		
		Male	Female	Total
No	Count	36	27	63
	%	32.7%	67.5%	42.0%
Yes	Count	74	13	87
	%	67.3%	32.5%	58.0%
	Count	110	40	150

Source: Survey Data (2005)

Table 4.2 shows that 67.3% of males and 32.5% of females believe in their ability to accomplish difficult tasks. Males are more confident in personal ability to achieve difficult business tasks than females.

Table 4.3: Self efficacy factor 2

In general, I think I can obtain outcomes that are important to me		Gender		
		Male	Female	Total
No	Count	80	14	94
	%	72.7%	35.0%	62.7%
Yes	Count	30	26	56
	%	27.3%	65.0%	37.3%
	Count	110	40	150

Source: Survey Data (2005)

Table 4.3 shows that 27.3% of males and 65.0% of females believe in their ability to obtain outcomes. Females show higher entrepreneurial self-efficacy in obtaining important outcomes.

Table 4.4: Self efficacy factor 3

I will be able to successful overcome many challenges		Gender		Total
		Male	Female	
No	Count	25	26	51
	%	22.7%	65.0%	34.0%
Yes	Count	85	14	99
	%	77.3%	35.0%	66.0%
	Count	110	40	150

Source: Survey Data (2005)

Table 4.4 shows that, 22.7% of males and 77.3% of females believe in their ability to successful overcome many challenges. Males show higher entrepreneurial self-efficacy on their ability of overcoming challenges.

Table 4.5: Self efficacy factor 4

I am confident that I can perform effectively on many different tasks		Gender		Total
		Male	Female	
No	Count	36	21	57
	%	32.7%	52.5%	38.0%
Yes	Count	74	19	93
	%	67.3%	47.5%	62.0%
	Count	110	40	150

Source: Survey Data (2005)

Table 4.5 shows that 67.3% of males and 47.3% of females can confidently perform effectively on many different tasks. Males are more confident in performing effectively on many different tasks than females.

4.2 Whether variances in entrepreneur's competences reflect on the gender differences in entrepreneurial self-efficacy.

4.2.1 Marketing Competences

Table 4.6: Effect of gender variance in setting and meeting market share goals on gender differences in entrepreneurial self-efficacy.

	χ^2 Value	Df	Sig.
When facing difficult tasks, I am certain I will accomplish them	9.341	1	.002
In general, I think I can obtain outcomes that are important to me	1.137	1	.007

Source: Survey Data (2005)

On the basis of the chi-square values (9.341 and 1.137) and p-values 0.002 and 0.007 respectively at 95% level of confidence in table 4.6, variance in setting and meeting market share goals significantly reflect on gender differences in entrepreneurial self-efficacy. The extent of the effect of variance in setting and meeting market share goals on differences in entrepreneurial self-efficacy are explained in tables 4.7 and 4.8

Table 4.7: I do set and meet market share goals factor 1

		When facing difficult tasks, I am certain I will accomplish them		Total		
		Yes	No			
Gender, Total	Female	Count	3	13	16	
		%	6.8%	33.3%	19.3%	
	Male	Count	41	26	67	
		%	93.2%	66.7%	80.7%	
			Count	44	39	83
			%	100.0%	100.0%	100.0%

Source: Survey Data (2005)

Table 4.7 shows that 93.2% of males and 6.8% of females who set and meet market share goals are confident in accomplishing difficult tasks. Variance in entrepreneur's setting and meeting market share goals significantly reflect on the gender differences in accomplishing difficult tasks.

Table 4.8: I do set and meet market share goals factor 2

		In general, I think I can obtain outcomes that are important to me.			Total
			Yes	No	
Gender Total	Female	Count	3	13	16
		%	5.5%	46.4%	19.3%
	Male	Count	52	15	67
		%	94.5%	53.6%	80.7%
Count		55	28	83	
%		100.0%	100.0%	100.0%	

Source: Survey Data (2005)

Table 4.8 shows that 5.5% of females and 94.5% of males who set and meet market share goals are confident in obtaining important outcomes. Variance in entrepreneur's setting and meeting market share goals significantly reflect on the gender differences in achieving important outcomes.

4.2.2 Innovation Competencies

4.9: Variance in engagement in new venture ideas on gender differences in entrepreneurial self-efficacy

	χ^2 Value	Df	Sig.
I will be able to successful overcome many challenges	8.292	1	.004
I am confident that I can perform effectively on many different tasks	5.333	1	.021

Source: Survey Data (2005)

On the basis of the chi-square values (8.292 and 5.333) and p-values 0.04 and 0.021 respectively at 95% level of confidence in table 4.9, variance in engagement in new venture ideas significantly reflect on gender differences in entrepreneurial self-efficacy. The extents of the effects are explained in tables 4.10 and 4.11.

Table 4.10: I do engage in new in new ventures and new ideas factor 1

			I am confident that I can perform effectively on many different tasks		Total
			Yes	No	
Gender Total	Female	Count	1	15	16
		%	2.0%	51.7%	20.0%
	Male	Count	50	14	64
		%	98.0%	48.3%	80.0%
	Count	51	29	80	
	%	100.0%	100.0%	100.0%	

Source: Survey Data (2005)

Table 4.10 shows that 98% of males and 2.0% of females who engage in new in new venture ideas can confidently and effectively perform on many different tasks. Variance in entrepreneurs' engagement in new venture ideas significantly reflects on the gender differences in effective performance of different tasks.

Table 4.11: I do engage in new venture ideas 1

			I will be able to successful overcome many challenges		Total
			Yes	No	
Gender Total	Female	Count	7	9	16
		%	12.1%	40.9%	20.0%
	Male	Count	51	13	64
		%	87.9%	59.1%	80.0%
	Count	58	22	80	
	%	100.0%	100.0%	100.0%	

Source: Survey Data (2005)

Table 4.11 shows that 87.9% of males and 12.17% of females who engage in new in new venture ideas are able to successful overcome many challenges. Variance in entrepreneurs' engagement in new venture ideas significantly reflects on the gender differences on their ability to overcome challenges.

4.2.3 Management competences

Table 4.12: Effect of variance in reducing risks and uncertainties on gender differences in entrepreneurial self-efficacy.

		I think I can obtain outcomes that are important to me		Total	
		Yes	No		
Gender Total	Female	Count	14	9	23
		%	42.4%	17.6%	27.4%
	Male	Count	19	42	61
		%	57.6%	82.4%	72.6%
Count		33	51	84	
		%	100.0%	100.0%	100.0%
χ^2 Value		Df	Sig.		
6.186		1	.013		

Source: Survey Data (2005)

On the basis of the chi-square value 6.186 and p-value 0.013 in table 4.12, variance in entrepreneurs' engagement in new venture ideas significantly reflect on gender differences in entrepreneurial self-efficacy. The distribution shows that 57.6% of males and 42.4% of females who reduce business risks and uncertainties are able to achieve important outcomes.

Table 4.13: Effect of variance in entireness' developing of strategic plans on gender differences in entrepreneurial self-efficacy

		In general, I think I can obtain outcomes that are important to me		Total	
		Yes	No		
Gender Total	Female	Count	15	5	20
		%	44.1%	10.9%	25.0%
	Male	Count	19	41	60
		%	55.9%	89.1%	75.0%
	Count	34	46	80	
	%	100.0%	100.0%	100.0%	
χ^2 Value	Df	Sig.			
11.526	1	.001			

Source: Survey Data (2005)

On the basis of the chi-square value 11.526 and p-value 0.001 in table 4.13, variance in entrepreneurs' developing of business strategic plans significantly reflect on gender differences in entrepreneurial self-efficacy. The distribution shows that 55.9% of males and 44.1% of females who develop business strategic plans are able to achieve important outcomes.

4.3 Whether gender differences on entrepreneurial self-efficacy explain the performance differences between male and female-owned firms

Table 4.14: In general, I think I can obtain outcomes that are important to me

Percentage growth in working capital of SMEs in the last year	Gender		Total
	Male	Female	
1%-20%	33.3%	38.5%	35.7%
21%-40%	3.3%	26.9%	14.3%
41%-60%	13.3%	3.8%	8.9%
61%-80%	16.7%		8.9%
Above 80%	33.3%	30.8%	32.1%
χ^2 Test	Value	Df	Sig.
	11.294	4	.023

Source: Survey Data (2005)

Table 4.14 shows the χ^2 test for percentage growth in capital of SMEs in the last one year. On the basis of the χ^2 value 11.294 with p-value 0.023 at 95% level of confidence, there is a significant difference in performance differences between male and female-owned firms. Sixty three percent (63.3%) of male-owned and managed firms recorded between 41% to over 80% growth in working capital while 34.6% of female owned firms achieved the same growth margin. The findings show that entrepreneurial self-efficacy explain the performance differences between male and female-owned firms as males who believe they can obtain important business outcomes also recorded higher growth margin than their female counterparts.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Data from research indicate that men report significantly higher levels of entrepreneurial self-efficacy than women. The factors that determine gender differences on entrepreneurial self-efficacy among Small and Medium Entrepreneurs are: believe in accomplishing difficult tasks; believe in obtaining important outcomes; believe in success overcoming of challenges and confidence in effective performance in different tasks. Males show higher levels than females in three out of the four factors that significantly determine gender differences in entrepreneurial self-efficacy among Small and Medium Entrepreneurs.

The findings resonate with the findings that male and female entrepreneurs have different effort and performance beliefs. An early review of sex differences (Elizabeth et. al 2002) showed very few differences between men and women. One of the few noted, however, was in achievement-related self-confidence. Self-confidence was lower for women than men.

Findings show that variances in entrepreneur's competences reflect on gender differences in entrepreneurial self-efficacy. Variations in marketing competences imply that males are more likely to set and meet market share goals are therefore able to accomplish difficult tasks and achieve important outcomes than female entrepreneurs.

Variations on innovation competencies imply that male entrepreneurs are more likely to engage in new venture ideas and therefore effective performance of different tasks and overcome challenges than the female entrepreneurs.

Variations in management competences imply that male entrepreneurs are more likely to develop business strategic plans and are therefore able to achieve important outcomes than the female outcomes.

Findings also imply that that entrepreneurial self-efficacy explain the performance differences between male and female-owned firms as males who believe they can obtain important business outcomes also recorded higher growth margin than their female counterparts.

5.2 Recommendations

Self-efficacy is closely related to self-beliefs about personal capabilities. To be motivated to act, entrepreneurs must perceive themselves as capable and have the positive attitude to succeed. Female entrepreneurs should therefore focus on improving their self-belief; belief in ability to influence achievement of goals, which are important achievement of enhanced entrepreneurship actions.

Variations in marketing and management competences between males and females calls for the female entrepreneurs in Githurai Trading Center to adopt strategic business skills improvement programs that will help narrow the performance differences between male and female-owned firms.

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APPENDICES

APPENDIX I: WORK PLAN

Activity	Feb	March	Apr	May	June	Jul	Aug
Problem Identification	■						
Topic selection		■					
Topic approval by Kenyatta University		■					
Proposal writing			■	■			
Literature review	■	■	■	■	■	■	
Questionnaire refining				■			
Data collection					■	■	
Data organization and analysis						■	
Report writing							■
Presentation							■
Final report							

Source: Author (2005)

APPENDIX III: INTRODUCTION LETTER

Mola Nanjala

Kenyatta University

Dear sir/ madam,

REF: REQUEST FOR YOUR PARTICIPATION IN THE MBA RESEARCH.

I am an MBA student of Kenyatta University currently conducting research on gender differences on entrepreneurial self-efficacy among small and medium enterprises in Githurai Trading Center. You have been selected take part in the research as respondent. You are therefore kindly requested to complete the attached questionnaire. It is important to note that your participation is entirely voluntary. No part of this questionnaire is in direct reference to your enterprise. All data provided will be used only for academic purposes and will be treated with the strict confidence it deserves. Thanks for your cooperation.

Yours faithfully,

.....
Mola Nanjala.

APPENDIX III: QUESTIONNAIRE

Instructions to respondents

1. It is extremely important that you are honest in your response
 2. Your answers to these questions remain completely confidential and anonymous
-

Personal and enterprise information

1. Gender:

1. Male

2. Female

2. Estimated starting capital (Kshs.).....

3. Estimated capital in June 2004 (Kshs.)

Self-efficacy

Indicate whether you are confident regarding the following statements (Please circle yes or no)

4. I will be able to achieve the goals I have set for myself

YES NO

5. When facing difficult tasks, I am certain I will accomplish them

YES NO

6. In general, I think I can obtain outcomes that are important to me

YES NO

7. I believe I can succeed at most any endeavor to which I set my mind.

YES NO

8. I will be able to successful overcome many challenges

YES

NO

9. I am confident that I can perform effectively on many different tasks

YES

NO

10. Compared to other people, I can do most tasks very well

YES

NO

11. Even when things are quite tough, I can perform very well

YES

NO

Entrepreneur competence

Circle on the questions below, either yes or as indicated,

Marketing

12. I do set and meet market share goals

YES

NO

13. I establish positioning in the market

YES

NO

14. I do expand my business

YES

NO

Innovation

15. I do engage in new in new ventures and new ideas

YES

NO

16. I do engage in new markets/ product/ technologies

YES

NO

Management

17. I do reduce risk and uncertainties

YES NO

18. I do develop strategic plans with information systems

YES NO

19. I do define organization roles, responsibilities and polices

YES NO

Financial control

20. I do perform financial analysis

YES NO

21. I do develop financial systems and internal controls

YES NO