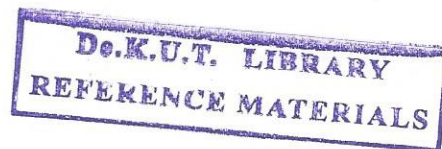


**ENTERPRISE CHARACTERISTICS AND PERFORMANCE OF WOMEN
ENTREPRENEURS IN SMALL SCALE ENTERPRISES IN URBAN KENYA**

Bula, Hannah Orwa

Registration Number: B311-001/2010M2



A Research Thesis Submitted to the School of Business in Partial Fulfillment of the Requirements for the Award of the Degree of Doctor of Philosophy in Business Administration and Management of Dedan Kimathi University of Technology

2013

Enterprise characteristics and performan



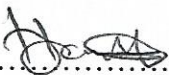
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I declare that this thesis is my original work and has not been presented to any other University for a degree or institution of Higher learning. All references used in this study have indicated and acknowledged the original sources.

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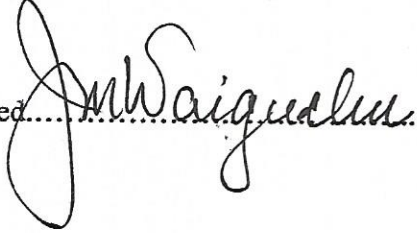
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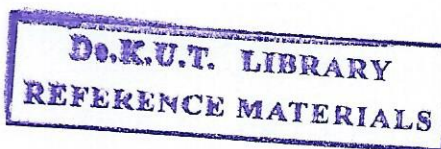
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Signature  Date *26th February 2013*

Professor J. Muruku Waiguchu,

Signed  Date *28/02/2013*



DEDAN KIMATHI UNIVERSITY LIBRARY**Dedication**

This research is dedicated to my parents Mr. J.J. Mumbo Bula and Mrs. Grace Bula and to my loving children; Lorraine, Leon, Lewis and my baby Lenox Larry for being a source of inspiration.

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I thank the Almighty God for giving me life and good health that has enabled me to have the strength, spirit, intellect and zeal to endure all manners of impediments in the preparation of this document. My utmost gratitude goes to Professor Edward Tiagha, my doctoral research supervisor, for his positive criticism and guidance in the preparation of this document. He has had to put up with the many mangled and sometimes, lousy scripts. "Without your wise counsel, I would have not made it this far, may God bless you abundantly".

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Abbreviations

ACP	African, Caribbean and Pacific countries
AGOA	Africa Growth and Opportunities Act
AIDS	Acquired Immune Deficiency Syndrome
AMEGA	Association of Makers and Exporters of Gift Articles.
ANOVA	Analysis of Variance
ASMEA	Small and Medium Enterprise Association.
BDS	Business Development Services
CBS	Central Bureau of Statistics
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
COMESA	Common Market for Eastern and Southern Africa
CRADLE	Child Rights Advisory Documentation and Legal Center.
GDP	Gross Domestic Product
EAC	East African Community
EU	European Union
FIDA	Federation of Women Lawyers (Spanish Acronym)
G.O.K	Government of Kenya
HIV	Human Immune Deficiency Virus
IV	Independent Variable
DV	Dependent Variable

KAWBO	Kenya Association of Women Business Owners.
KDHS	Kenya Demographic and Health Survey
KNFJKA	Kenya National Federation of Jua Kali Association.
KENAHA	Kenya National Hawkers' Association.
KENWA	Kenya Network of Women with HIV/ Aids.
KIBT	Kenya Institute of Business Training
KIE	Kenya Industrial Estate
KOSME	Kenya Organization of Small and Medium Enterprises.
K-REP	Kenya Rural Enterprises Programme
KSTS	Kenya Street Traders' Society
KWFT	Kenya Women Finance Trust
NDC	National Development Council in the U.K.
MDG	Millennium Development Goals
NPEP	National Poverty Eradication Plan
NDP	National Development Plan
LDC	Less Developed countries
MESP	Micro Enterprise Support Programme
MFI	Micro Finance Institutions
MSEs	Micro and Small Enterprises
NASEWOK	National Association of Self-employed Women of Kenya

NGOs	Non Governmental Organizations
OWIT	Organization of Women in International Trade
SBA	Small Business Administration
SNA	System of National Account
SPSS	Statistical Packages for Social Sciences
SSA	Sub-Sahara Africa
SSEs	Small Scale Enterprises
TIVET	Technical, Industrial, Vocational and Entrepreneurship Training
U.K	United Kingdom
UNICEF	United Nations International Children Education Fund
UNIFEM	United Nations Development Fund for women
UNIDO	United Nations Industrial Development Organization
UNYDP	Ukweli National Youth Development Programme.
USAID	United States Agency for International Development
USIU	United States International University

Operational Definition of Terms

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Break- even Point	A stage in an SSE business when costs in production are the same as selling prices of goods or services. A state of no profits and no losses in a business. After this stage an SSE starts earning profits
Business Incubator	Centers that inculcate skills on how develop and Nurture profitable and sustainable businesses.
Dependent variables	These are variables that are influenced by independent Variables.
Economically active	These are people who are working and are available for work.
Entrepreneurship	This is a business venture that is engaged in value addition through the production and sale of goods and provision of services as an attempt to take advantage of a business opportunity that might entail some risk, but, that provides for self-employment and making money to support the business people and their families
Human Capital	Education and entrepreneurial skills needed to commercialize an idea enabling an enterprise to generate goods and /or services.
Inactive Population	Persons who are not working and are not available for Work due to various reasons.

Incubation Period	Time when the business is undergoing a stage of stability discovery in the market before it reaches the break-even point.
Independent Variable	An independent Variable is by definition one whose value is wholly causally independent from other variables in the system. It is a variable which impinges on other variables from outside the system
Intrapreneurs	Innovative employees within an entrepreneurial venture/business. These are employees with ideas that can turnaround a business enterprise. They are considered to be valuable assets in an organization.
M-Pesa	Handset Cellular phone money transfer service. It is a form of mobile banking service.
Performance	This is the way in which women entrepreneurs are successful in their business activities. This is measured by growth in profits, capital assets, sales and number of employees. It is also the ability to work to experience business growth.
Population census	This is a complete enumeration of all persons in a country at a specified time.
Productivity	Rate at which women owned and/or managed enterprises produce goods/services and the amount produced

compared with how much time, work and money is needed to produce them.

Profits

The money that women owned and or /managed enterprises make after paying the costs involved.

Small Scale Enterprises (SSEs)

Enterprises that employ from two to one hundred employees

Abstract**DEDAN KIMATHI UNIVERSITY LIBRARY**

This study focused on small scale enterprises (SSEs) owned and/or managed by women. The objective of this research was to establish the characteristics of women entrepreneurs and evaluate the magnitude and direction of their influence on the performance of SSEs in Urban-Kenya. The research further sought to find the influence of family characteristics, economic characteristics and socio-cultural characteristics on the performance of women-owned and/or managed business enterprises. It also assessed the level of support framework's influence on performance and the correlation between entrepreneurship scorecard and performance of SSEs. The research was based on a random sample from industries of SSEs in the city council wards in Nairobi East. Enterprise characteristics and its antecedents were measured through a Likert scale of five. Descriptive research design was used to explain and predict relationships between the independent and dependent variables. Data was generated through the use of questionnaires. The data collected was analysed by use of descriptive and inferential statistical tools. Findings from the research suggest that there is a negative but significant relationship between family characteristics and performance and between socio-cultural characteristics and performance. Further, the study found a positive and significant relationship between financial management and access to credit and the performance and between technology & innovation and performance, entrepreneurship skills and performance respectively. The study observed that support framework and business planning had a positive though insignificant relationship to performance respectively. Additionally this study found a negative and insignificant relationship of the balanced scorecard to performance. This was due to ignorance of the women entrepreneurs on the application of the balanced scorecard and business planning to their business operations. In spite of the existence of several avenues of financing, such as from micro-finance institutions, women had issues with accessing credit facilities, a majority of women SSEs did not have access to any of these funds. Consequently, the research revealed that most women entrepreneurs have not gone beyond secondary education and hardly any had post graduate education.

CHAPTER ONE: INTRODUCTION

Women entrepreneurs operate on varied business environments; spanning from general entrepreneurship where they sell merchandise on an ad-hoc unstructured way to Small Scale Enterprises (SSE) that are structured and their operations are recognized by authorities. This chapter will have an overview of issues facing women in general and in particular issues that pertain to entrepreneurial theory, practices and development from a global perspective and importantly from a Kenyan context.

1.1 Background to the Study

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This section introduces the context of the problem and provides an overview of various definitions of entrepreneurship in current literature and at the end of the section presents the definitions adopted by this research. According to a study by Kenya Demographic and Housing Survey (2003), women have experienced limited access to the modern wage sector. The limited access is as a result of discriminative practices that have been carried out through socialization. Women's contribution is always recognized as heads of families. However, due to their changing roles, their contribution to the economy should be taken into consideration. In the family division of labor; women have many domestic responsibilities, some of which contribute to the general development of the economy, yet these are rarely valued or adequately compensated for.

Women's subordination is not part of the natural order of things but, it is imposed by a system of discrimination, which is socially constructed and which can be altered. The realization by women that their problems do not derive so much from their own personal inadequacies, but rather by institutionalized discrimination against women and girls, helps to

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bridge the gender gap caused by inequality (SID, 2004). Although women engage in small scale businesses, a lot of constraints have hindered their economic participation to achieve a high level of empowerment; structural inequality in the society should be addressed. Therefore, for the empowerment of women to be effective, there must be women's collective mobilization to overcome particular instances of institutionalized gender discrimination.

Studies by GOK (2005); SID (2004); NRB + 21 conference (2006); MDGS Report (2003) show that the Kenyan woman had adverse issues of poverty and misrepresentation. Women's status is reflected in the following areas: although there is increasing awareness of women in informal sector enterprises, the Kenyan woman is underrepresented in all sectors of the economy; they constitute only 13 percent of the total professionals in public service. Further there is lack of women empowerment in the political representation in Kenya. Out of 222 legislators in the current Kenyan parliament, only 22 (9.9 percent) are women while 200 (90%) are men reflecting patriarchy in Kenya (Kenya National Assembly Record, 2007). It is against this background that this research sought to find the characteristics of women owners and/or managers of small scales enterprises with a view to assess if their characteristics influence performance of their enterprises and probably suggest solutions that can enhance women empowerments in Kenya.

The classical and neo-classical theorists have labored to define entrepreneurship, but this has not resulted in a single definition. It all depends on the focus of the one who is defining it and from which perspective one looks at it. After reviewing the background of entrepreneurship, this study concludes that some researchers look at entrepreneurship from the economics

perspective, sociology and psychology, others look at it from the management perspective, while others look at it from the social perspective. Entrepreneurship is therefore a multidimensional concept. According to Van Praag (1995), Richard Cantillon was the first economist to acknowledge the entrepreneur as a key economic factor in his posthumous "Essai sur la nature du commerce en general" first published in 1755 (Cantillon, 1959). Cantillon saw the entrepreneur as responsible for all exchange and circulation in the economy. As opposed to wage workers and land owners who both receive a fixed income or rent, the entrepreneur earns an uncertain profit (Hebert & Link, 1988).

Canutillo's (1959) entrepreneur is an individual that equilibrates supply and demand in the economy and in this function bears risk or uncertainty. Jean-Baptiste Say (1767-1832) provided a different interpretation of the entrepreneurial task. He saw the entrepreneur as the main agent of production in the economy. Rather than emphasizing the risk-bearing role of the entrepreneur, Say (1828) stressed that the entrepreneur's principle quality is to have good judgment. According to Hebert and Link (1988, p. 38), Say regarded the entrepreneur as a manager of a firm; an input in the production process. The entrepreneur acts in the static world of equilibrium, where he assesses the most favorable economic opportunities. The payoff to the entrepreneur is not profits arising from risk-bearing but instead a wage accruing to a scarce type of labor. The role of the entrepreneur is separated from that of the capitalist. In his "Principles of Economics," the early neo-classical economist, Alfred Marshall (1948) also devoted attention to the entrepreneur. In addition to the risk bearing and management aspects emphasized by Cantillon and Say, Marshall introduced an innovating function of the

entrepreneur by emphasizing that the entrepreneur continuously seeks opportunities to minimize costs (Marshall, 1948).

An entrepreneur can fulfill different functions. Hebert and Link (1989) distinguish between the supply of financial capital, innovation, allocation of resources among alternative uses and decision-making. They use the following definition of an entrepreneur which encompasses the various functions: "the entrepreneur is someone who specializes in taking responsibility for and making judgmental decisions that affect the location, form, and the use of goods, resources or institutions" (Hebert & Link, 1989, p.213; Wennekers & Thurik; 2001). Schumpeter defines entrepreneurship from the economics perspective by focusing on the perception of new economic opportunities and the subsequent introduction of new ideas in the market. Those in the management field use the following definition: entrepreneurship is a way of managing that involves pursuing opportunity without regard to the resources currently controlled. Entrepreneurs identify opportunities, assemble required resources, implement a practical action plan, and harvest the reward in a timely, flexible way.

Mises (1949) looks at entrepreneurship from the point of view of the particular outcome which the actor aims at. Action seeks to change the future. Entrepreneurship is the comparison of the forecasted future state of the world, which the actor expects to occur in the absence of his specific action with the newly-made and previously-unnoticed or unforeseen state of the world. The actor expects a result from his specific action by making a decision to achieve his preferred future state of the world. Entrepreneurship consists in the creation of a previously-unperceived opportunity for profit and the alertness to that previously untapped

opportunity, and then the taking of action to achieve the opportunity. Entrepreneurial task can be resolved by introducing human action. Besides the 'agents' attempt to calculate economic problems, they are also alert to opportunities. Once an economic agent recognizes a market opportunity, he or she acts on it to improve their position.

According to Mises (1949), opportunities are abundant in a situation of disequilibrium and there is the ability of human action to every economic agent such as: firstly, evolution addresses issues that result in questioning the phenomenon of innovation endowment (resources and capabilities) competencies (including experience) and non-individual, environmental factors subsume the economic situation. The latter gives us the notion of feedback effects. The economic agents' decisions are influenced by economic factors (economic situation) and in return influence economic factors by their actions, e.g. by the decision to establish a firm (Becker, 1993). Secondly, Actors: elicit the entrepreneurial spirit, human capital and venture capital that are an entrepreneur's individual endowment which can be used to act towards establishing a business venture.

The entrepreneurial component can be thought of as the residual of the agent's (entrepreneur's) individual endowment which withdraws itself from empirical measurability (Mises, 1949). Thirdly: Human capital is the approach constituted by Schultz (1971) and elaborated by Becker (1993) among others, allows for an empirical application. It borrows from optimal investment theory by highlighting income distribution. The theoretical concept is basically derived from investment theory in physical capital using marginal analysis, agents decide in a dichotomous way; if they expect the returns of going entrepreneurial will

be higher than being an employee, they will decide to become an entrepreneur (Schultz, 1971).

Marshall (1948) brings the concept of an equilibrium creating entrepreneur in the definition of entrepreneurship. The Neo-classical theory and thereby the 'Marshallian' analysis tries to explain equilibrium conditions in the markets under the assumptions of perfect knowledge and information, perfect competition (existence of many firms), existence of homogenous goods, and free entry and exit. Marshall's main concerns and at the same time goal is to show that markets clear under the perfect competition assumptions and there are no excess profit opportunities and hence there is no exploitation of labor in production process since everyone earns his marginal contribution to production and national income. Marshall uses small changes (innovations) in the market process by many small competitors and confusingly indicates that large scale production is essential for economic progress and economic innovation.

According to Schumpeter, the crucial fact about the modern corporation is that its managers cannot fill the strong social role played by the entrepreneur (Schumpeter, 1942, p.134). Marshall tried to create equilibrium by having many players in the market, hence perfect competition and not monopolist market. His theories consider many great men who establish equilibrium in the supply and demand in the market for goods and services. 'Marshallian' analysis gives small contributions from a very large number of 'modest entrepreneurs' lead economic progress.

Other discourse postulates that innovative resource recombination result in a high alertness to new opportunities. The ability to identify and commit oneself to new opportunities has been seen as key entrepreneurial features of individuals. Entrepreneurial firms base their strategies solely on opportunities that exist in the environment, using opportunities as a starting point for developing strategies. They tend to pursue new opportunities without regard to resources currently controlled, identifying the resources necessary to exploit an opportunity after they have assessed a new strategy. Administratively managed companies, on the other hand, tend to look more at the resources they already control when developing strategies. They may be aware of the opportunities in the environment but tend to think in terms of how to best utilize and exploit the resources they already control as efficiently as possible in order to exploit new opportunities (Zahra and Wiklund, 2000; Casson, 2003).

Most recent research defines entrepreneurship as a venture that involves the nexus of two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals". Shane and Venkataraman (2000) emphasize that prior information is needed to complement the new information in the discovery of business opportunities. In this respect, they are similar to Schultz who argues that human capital is an important determinant of entrepreneurial ability. Casson (2003) tries to encompass both the 'Schumpeterian' and the 'Knightian' definitions by arguing that entrepreneurs are individuals who specialize in decision making. The Schumpeterian entrepreneur applies information about inventions to create new combinations and is ultimately the one who decides if the new combinations are profitable.

The theory of entrepreneurship and the economic theory of the firm thus have much to learn from each other; the conditions under which entrepreneurship take place should be considered in the definition of entrepreneurship. He further advances that the concept of entrepreneurship as judgment provides the clearest link between entrepreneurship, asset ownership, and economic organization. Entrepreneurs are innovators from an economic perspective. However, it can be difficult to apply the economic perspective of entrepreneurship to less developed countries (LDCs) like Kenya. Past research asserts that the LDCs entrepreneurs are not real innovators in the traditional sense of the word because they rarely produce brand new products; rather, they imitate the products and production processes that have been invented elsewhere in the world, probably from the developed countries (Choi, 2008).

This process, which involves borrowing what others have done and improving on it is also practiced in developed countries as well. This type of entrepreneurship is called "creative imitation" (Drucker, 1985) The term appears ironic; however, it provides the real description of the process of innovation that actually occurs in LDCs. Creative imitation takes place when the imitators understand better how an innovation can be developed and commercialized in their particular market niche (namely their own countries) than do the people who actually created or discovered the original innovation. Thus, the innovation process in LDCs is often that of imitating and adapting, instead of the traditional notion of new product or process discovery and development.

1.1.1. This Research's Definition of Entrepreneurship

Entrepreneurship is a business venture that is engaged in value addition through the production and sale of goods and provision of services as an attempt to take advantage of a business opportunity that might entail some risk but that provides for self-employment and making money to support themselves and their families. By extension at the national level, this effort when successful, results in reduced poverty in line with millennium development goals of 2015 (MDG Conference Nov, 2005) and Kenya's vision 2030.

Value addition in this case refers to creating time utility, form utility, possession utility and place utility to the buyers of a product or service. These can be practiced by delivering the goods at the right time (time utility), changing the form of a commodity from a less useful state to a more useful state (form utility) selling goods and services to those who need them (possession utility), availing goods and services at convenient places (place utility) for the buyers. Any person who engages in a commercial activity either by producing, retailing processing or providing a service for an exchange for an income is considered to be an entrepreneur.

1.1.2. Characteristics of Entrepreneurs

Entrepreneurship theory has evolved over the years and different scholars have proposed different characteristics that they believe are common among most entrepreneurs. By combining the above incongruent theories, general set of entrepreneurship qualities can be developed. In general, entrepreneurs are risk-takers, coordinators and organizers, void-fillers, leaders, and innovators or creative imitators. The list of the characteristics of entrepreneurs is not fully comprehensive, but it can help explain why some people choose to become

entrepreneurs while others do not. Thus, by promoting these qualities and talents and skills, governments can reshape their country's supply of domestic entrepreneurship because small enterprises can construct the most dynamic and vibrant sector of the economy (Michael et al., 2009).

Bhide (2000) conducted a case study of 100 new ventures and drew upon Howard Stevenson's (1983) comprehensive behavioral framework of "promoters" (entrepreneurs) and "trustees". Bhide (2000) confirmed that entrepreneurs: (1) make quick incremental decisions because they face uncertainty and market pressure, (2) take action that involves minimal investment in temporary assets, (3) adapt to opportunities that arise, and (4) gain from trial and error. Finance researchers who study entrepreneurs' behavior point to financial borrowing that is based upon changing goals and continuous experimentation to cope with uncertainty, shortages and surprises.

1.1.3. Entrepreneurship in East Africa

In East Africa, just like in any developing region, entrepreneurship is characterized by creative imitation and adoption of what is appropriate to the needs of a particular market niche that addresses each country's needs. Entrepreneurs do not use the traditional notion of creating new products or process discovery and development that was suggested by Schumpeter (Martz, 1991). Entrepreneurship in the East African countries is dominated by the private sector and characterized by clusters which have remained on the borderline of the informal economy with extensive "use of cheap family and apprentice labor".

According to a study by UNIDO (2003), there are various Kenyan locations, where micro-enterprises (employing on average two persons), many of which are informal (*jua kali*) units, use simple technologies to produce a range of goods for local markets. UNIDO further postulate that accessing small traders was critical in providing small enterprises with the ability to reach markets. Clusters offer an important potential opportunity for SSEs to meet standards, local joint action especially through business associations has helped clustered producers meet environmental and quality standards. Cluster institutions also provide arenas for local firms to address issues relating to social responsibility and labor standards.

1.1.4. Entrepreneurial Culture and Practices in Kenya

By casual observation, the Kenyan culture may seem not to embrace entrepreneurship as a part of main stream employment. Those who engage in entrepreneurship activities operate businesses alongside formal employment and those who undertake it as the only employment by delving into the informal sector employment, do so as result of necessity - last resort for lack of employment opportunity in the formal sector. It is a stereotype that the informal sector is relegated to those who are less endowed in terms of the mental intellect. The education system in Kenya is also formal employment – biased, bent on producing graduates who are only ready for the formal employment rather than creative agents for establishing entrepreneurial ventures. While an outward focus on new opportunities in the environment is necessary to discover new opportunities, an entrepreneurial culture enables an organization to come up with creative solutions for how to best recombine resources in order to adjust its resource-base to new opportunities in the environment.

The culture of an organization is one of the key factors fostering entrepreneurial activities in organizations. It is an invisible aspect of an organization, which influences everything that people do. By encouraging new ideas, experimentation and creativity, managers can help to create an entrepreneurial culture with norms that support entrepreneurial behavior (Cooper and Arnold, 2003). Kenya needs to reevaluate its culture and perception about entrepreneurship. It is in this regard that this research will seek to find out the entrepreneurship practices of women entrepreneurs measured against the entrepreneurship scorecard.

Regional variations in the levels of entrepreneurship are influenced by the cultural values of the people. They claim that "cultural and economic-structural determinants of the new firm formation rate were positively correlated," thus suggesting that cultural differences in both values and beliefs help explain regional variances in the supply of entrepreneurship. Despite this relationship, other studies on migrant and ethnic entrepreneurs have found that cultural beliefs and values rarely suppress aspiring entrepreneurs (Doerr et al., 2010, p. 4-5).

The analysis of general entrepreneurial culture in Kenya and specifically the socio-cultural characteristics of women owners and/or managers were critical in this research to determine if culture influences performance of the women SSEs in Kenya. Kenya being a free market economy that encourages economic liberalization has great prospects of developing entrepreneurial culture if the challenges facing entrepreneurs can be mitigated upon by the different stakeholders in entrepreneurships such as curriculum designers, banks, local authorities and the government policy making organs.

According to GOK (2005: p.6), entrepreneurship in Kenya comprises of micro and small enterprises with a few enterprises graduating to medium enterprises. The missing middle is a worrying scenario in Kenya's entrepreneurs not to mention the large enterprises. Family businesses have a greater potential to graduate from small to medium enterprises than other enterprises. A further classification of Kenya's entrepreneurship is on demographic factors such as youth enterprises, women enterprises and male dominated enterprises with a major focus based on the youths and the women as the two categories are considered marginalized due to certain constraints that they face. The male dominated enterprises have leverage over the other enterprises because of the patriarchal nature of Kenya and most cultures in Africa which tends to give the male gender superiority in political, social and economic matters.

An entrepreneur with capital resources and local knowledge has tremendous opportunities for survival and growth in the SSE sector. Entrepreneurs make up a very large portion of the economy in Kenya; they contribute immensely to the employment opportunities in Kenya and together with the medium enterprises, SSEs contribute over 40% of the country's GDP. The majority of the entrepreneurs are small independent business people trying to make a living to survive. They are vegetable vendors, "boda boda" operators (bicycle taxis) among others. These make up the majority of the economy in Kenya, rather than the medium or large businesses. Despite their significance, recent studies show that 60% of the SSEs fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).

Most of the local investment businesses in Kenya fall under the SSE business sector. The sector employs about 74.2% of the total workforce and contributes to about 18.4% of the country's Gross Domestic Product (GDP) (CBS, 2005, p. 5-6). The government of Kenya therefore considers this sector as an important one in the development process, and is in the process of putting in place some programmes to develop it. The Economic Recovery Strategy Paper for Wealth and Employment Creation (ERS) 2003-2007 identifies SSEs and in particular *jua kali* (informal sector) expansion as one of those activities that will assist in economic recovery and growth (CBS, 2005, p.1).

The publication of Sessional Paper no. 2 of 2005 on 'Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction' resulted to the Micro and Small Enterprises bill. The bill though not yet passed into a law through an "Act" of parliament, is one of the most important current government efforts to develop the SSE sector; it sets policies for developing the SSEs. Some of these policies include, among others; legal and regulatory reforms in the sector, harmonization of trade licensing and regulatory services, quickening the process of business registration by decentralizing the process to the provincial levels and eventually to district levels. Other policies include formulating and implementing an SSE Act to provide a framework for implementing the SSE policies; improving marketing opportunities for SSEs both locally and internationally by providing business linkages; increasing SSEs participation in public procurement, increasing financial services to SSEs, promoting gender equity by increasing equal access to financial services for women and men, empowering women, improving gender access to education, technology development and entrepreneurship, improving transparency and efficiency in tax collection,

improving health and safety in workplaces through hygiene and environmental management (CBS, 2005, p.17-18). The proposals outlined in the Sessional Paper would have been very instrumental in turning around the SSE sector if all the proposals were implemented. However, most of the issues outlined have not yet been implemented not to mention women empowerment and the SSE bill which has not yet been passed into law to allow the sector to have the freedom to make decisions that affect this important sector of Kenya's economy.

The Procurement and Supplies Act (Cap 412) of the laws of Kenya became operational in November 2005. This Act recognizes the need to give priority to local companies in the procurement of goods and services. The purpose is to protect the local companies, particularly the SSEs from unhealthy competition, increasing the market opportunities, therefore giving the local enterprises opportunity to grow. Restrictive Trade Practices, Monopolies and Price Control Act (Cap 504) of the laws of Kenya encourage competition in the Kenyan economy. It also prevents the abuse of dominance and market entry barriers (both formal and informal); therefore before policy makers can increase the supply of entrepreneurship, it is necessary for them to understand what factors affect the supply of entrepreneurs (Kenya National Bureau of Statistics, 2007; CBS, 2005).

1.1.5 Review of Small Scale Enterprises (SSE)

There are no clear and universally accepted definitions of small business firms, thus their definitions vary widely. Some researchers define SSEs based on capital invested, volume of sales revenue or any of these factors combined. The number of employees engaged by the enterprises is more commonly used unit of measurement of the size of a business than the turnover or the degree of skills per worker (GOK, 2005). Most definitions appear to be

governed by the interest of the perceiver, the size of the economy and the type of criteria used. It also depends on the purpose of classifying a business into categories of small, medium or large. Lack of reliable information on the nature and extent of small businesses further complicates the problem of definition. However, business sizes have been defined variously using the criteria of number of employees, investment base (value of capital), sales turnover among others (Kibas, 2006; Stevenson and St-Onge, 2005).

The definition of a small scale enterprise will also depend on the stage and level of a country's economic development. Thus the United States of America's (U.S) government defines a "small business" as one with less than 500 employees. While the Kenya Industrial Estates (KIE) defined small business as one employing between 5 – 10 employees with a capital base of Kshs 1.5 million (GOK, 1963). By 1985, according to industrial Commercial Development Corporation, (ICDC) this definition had changed, and small business was seen as one employing between 5 – 50 employees with a capital base of between Kshs 3 and Kshs 10 million. By 1990s according to KIE, small business was again seen as one employing less than 100 employees with a capital base of between Kshs of between 10 and Kshs 50 million (GOK, 1985; Gakure, 2003). The definition of a small scale enterprise will also depend on the stage and level of a country's economic development. As inferred to above, the U.S defines a "small 'business as one with less than 500 employees. The U.S attempts to redefine small business upward as a way of acknowledging growth. In the 1950s, the agency counted any manufacturer employing fewer than 250 people as small, but today it considers companies with as many as 500 employees to be small. Still, the vast majority of American businesses are small. In 2002, for instance, there were only 16,845 companies employing

more than 500 people, compared to 5,680,914 employing fewer people, according to the U.S. Small Business Administration (SBA, 2009). Kenya has not lagged behind in recognizing the upward trend in the definition of SSEs. It is noted that by 1999, KIE's definition of SSE included small businesses employing up to 99 employees or those businesses employing less than 100 employees (GOK, 1985).

Small businesses are defined as privately operated businesses that are relatively smaller to other firms in the industry and are operated by an owner - manager. The SBA's definition of a small business is one that: does not dominate the industry, is owned by a few individuals and one that has fewer than 100 employees for wholesaling firms; 500 employees for manufacturing firms and has sales revenue below \$5 million for retail firms and \$1.5 million for service firms (SBA, 2009). Many small businesses tend to have local or regional operations and the owners typically have personal exposure to the creditors of the business through personal guarantees that are often required as collateral for loans. SSEs owners have very close and personal contact with their customers (Crain, 2005).

1.1.6 Characteristics of a Small Business

According to Yasin (2004) and SBA, a small business has certain characteristics categorized under management aspects, operating and financial characteristics that this research would wish to adopt in the analysis of the characteristics of SSEs (SBA, 2009). The characteristics are outlined below.

According to Yasin (2004), fifty to eighty percent of all business enterprises in the United States of America and even in Kenya will fail within the first five years. In Kenya, three out

of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). Small businesses seem to have short term horizons and they tend to be poor long term planners. From general and casual observation, it appears that most small scale enterprise owned and managed by women do not live to celebrate their fifth birthday, even those that survive their fifth birthday do not actually graduate to the next level : the medium scale enterprise, hence the term 'missing' middle. It is in lieu of this that this research sought to investigate the enterprise characteristics of women owned and /or managed enterprises and their relationship to the performance with a view to unravel the causes behind low survival and success rate of the same enterprises.

Small Scale businesses experience constraints in operating their businesses, such as access to credit among others (GOK, 2005). Women in small scale businesses also experience similar challenges. For example, it is noted that the women enterprise fund created by the Kenya government in the year 2007 has not been fully utilized or borrowed. This research attempted to answer this question: What are the issues that bar women from succeeding in their business enterprises? Women have been known to state that they have financial limitations in operating their businesses. It is therefore imperative that issues of access to credit and information, financial management, appropriate technology adoption, enabling environment, gender inequality be a high priority in policy development concerning women.

1.1.7 Management Aspects

The following are the management aspects in small scale enterprise: owner of business is the sole decision-maker, there is no outside board of directors, has scarce resources to hire professional management and is the sole manager of the business The small business owner

does not specialize the running of various departments and technical areas in the organization, the owner is the marketer, finance specialist, operations person, personnel manager among others. The management of a small business enterprise is centralized and there are issues of lack of or poor delegation of responsibility and authority, the owner has a hands-on experience of the day-to-day operations of the business. Some small business owners are creative innovators who can initiate a business idea and even design a product; often others are great at marketing the product and making sales. However, they do not have the financial expertise of business and will close sales at the expense of profitability. Most small businesses do not have a succession plan; when the business owner dies, he dies with the business secrets because no one has been trained to assume the duties and responsibilities of the owner-manager to ensure the long-term survival of the company. When the owner dies, the business also dies; transfer/sale of ownership is difficult. It is also important to note that transferring ownership of a closely held business is difficult due to a narrow market scope and, accounting and financial information is in form of tax and bank reporting generally for external purposes rather than recorded in a manner that is useful for internal decision-making purposes.

In SSEs, the business owners lack accounting skills and the reports are usually the minimum necessary and inadequate; particularly managerial accounting is lacking or is inadequate. The Small Scale Enterprises decision making is made in an ad-hoc nature done haphazardly rather than by careful planning. It is common to find the following among the SSEs: no pricing policy, inadequate asset management skills, poor receivables and inventory management, indecisiveness on make or buy decision for fast growing firms, quality is compromised

because it is often assumed manufacturing is cheaper than out-sourcing and that owning the premises is better than leasing, level of debt and equity is usually predicated upon availability rather than a conscious policy decision, proper levels of working capital and liquidity are rarely calculated at an optimum level (Yasin, 2004; SBA, 2009).

1.1.8 Operating and Financial Characteristics

The operating and financial characteristics of Small Scale Enterprises include: lack of access to and availability of, capital is the driving force that differentiates the small business from other business in terms of operating and financial characteristics, small businesses tend to migrate toward the less capital-intensive industries of service due to lack of credit capacity, retailers and Service companies have few assets relative to sales and thus asset turnover is high for small businesses (twice as great as large businesses). However, SSEs have low credit capacity, few assets means fewer barriers to entry and thus competition in small businesses. Greater competition and lack of volume purchasing and economies of scale means profit margins are squeezed because there are many potential entrants to the market of SSEs. Retail and Service sectors have high investment in working capital assets, small businesses are survival oriented not maximization oriented, placing greater emphasis on cash, liquidity and turnover. Many small businesses try to minimize their tax liability and purposely drive profits down, which hurts their ability to raise capital, small businesses are sensitive to economic change since they cannot monitor retailer's inventories to signal a decline in the economy and make necessary adjustments, small businesses are innovators. They will come up with new business ideas or new ways of doing things which may contribute to the value chain if commercialized, small businesses tend to have short term horizons and are poor long term planners (ibid).

Yasin (2004) further asserts that planning is a time and cost consuming activity which does not have an immediate effect on revenues or expenses, small businesses have a tendency of higher degrees of business risk and financial failure than large business enterprises. It is also noted that fifty to eighty percent of all business start-ups in the US and in Kenya will fail within the first five years. By definition, small businesses lack competitive edge, they have limited share of the market, may be dominated by suppliers or customers, and are more labor intensive oriented as opposed to capital orientation.

1.1.9 Characteristics of the Small Business Person.

The following are the characteristics of a small business person: willing to sacrifice by working long hours, risk taker, loss of personal assets, lack of security of tenure. A small business person has a need for achievement and independence – like being own boss, gives orders, prefers to lead, is enthusiastic to work particularly when expecting the benefits of those efforts, have high self confidence in the community – invited to serve on boards of many organizations etc. A small business is a people's person, has good interpersonal skills, usually high intelligence (not necessarily education), has high energy, stamina, drive, creativity, and insight, may see opportunities that others do not see or pursue a passion until it becomes a successful business and is willing to take calculated risks.

According to National Baseline Survey on National Micro and Small scale Enterprises conducted by CBS in 1999 and according to Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises, a small scale enterprise is defined as any business employing

up to 50 workers – covers a range of establishments, industry including informal sector activities which employ one or more persons and enterprises in the formal sector employing up to 50 persons whatever the site (home, street or mobile unit) is a small scale enterprise.

1.1.10 This Research's Definition of Small Scale Enterprises

Going by the trend of redefining SSE upwards in Kenya and the US, the 21st century definition of an SSE in Kenya might include business enterprises employing up to one hundred employees. This research defined the SSE according to the number of employees. Small Scale Enterprise (SSEs) is defined as business enterprises that employ two workers to one hundred workers that have a business history of three years.

1.1.11 Status of Women and Women Entrepreneurs

One of the key factors in determining the success of development is the status and position of women in the society. Women have multiple roles and have social motivators that can spur entrepreneurship development and growth. Even during turbulent periods women fend for their families. Popular is an old adage “give a woman fish, she will feed her family, but show her how to catch fish, she will feed the whole village/or even nation” This means that the neglect of women in the development process of any country constitutes a human resource waste. In this premise, it will be a disservice for any country to ignore its women population in its development efforts. The task before any government, therefore, should be that of moving steadily and firmly in the direction of economic development by involving women. Women's development is a process of attaining women empowerment and it carries the potential of eradicating poverty.

Women's rights have been violated in most economies by the same bodies and institutions that are supposed to protect their rights. Most religions accord women equal rights in every aspect of life. Women's obligation to the religious principles and practices are the same as those of men. Women are not exempted from any of these obligations in economic and political position because of their gender. Various religions have also given women the rights to work, to own property and to have wealth; women can seek employment and work in medical care, teaching, civil and justice professions. This remains the same before and after marriage. In the Islamic and Christian history there were no restrictions in women's full participation in economic, political and social spheres of the society from what is left by parents and those nearest related (Genesis:1 Vs 27 NIV Bible; afghan, 2010). There is a share for women and a share for men, whether the property be small or large - a determinate share. The above discussion shows the equal status of men and women in various religions. However, in practice these rights have been violated and the position of women has drastically deteriorated. The Center for Women's Global Leadership in collaboration with the United Nations Development Fund for Women (UNIFEM) reported that, rights of women in areas of health reproduction and sexuality, education, the global economy, the workplace and family life have seriously been violated (Rutgers. 2011).

According to kipnotes (2008), the U.S. business history dates back to 1890 when the U.S. government dissolved all forms of trusts, combination, conspiracy and monopoly that were in constraint of trade by signing a bill into law in favor of business operation, growth and influence. This clearly shows that from a very early stage, the US instituted structures and mechanisms that support small businesses that have necessitated growth of women

businesses. In the U.S a Bureau of Labor report showed that the number of self-employed women climbed from 1.5 million in 1972 to 2.1 million in 1979 and grew to 3.5 million in 1984 (Hisrich & Brush, 1986; Brush, 1992, 16(4), 5-30). By 1999, the numbers were even higher.

The Center for Women's Business Research (1999) reported that there were 9.1 million women-owned businesses, with 27.5 million workers which reported revenues of close to \$3.6 trillion from 1997 to 2002. In 2002, the Center for Women's Business Research also indicated that women formed new businesses at twice the national rate. By 2003, women were clearly identified as drivers of the U.S. economy, using measurements of number of businesses owned, revenues realized, or the number of employed people. There is an upward trend on female entrepreneurs' participation in the U.S economy and in the global community as employers, customers, suppliers, and competitors. However, the research and dissemination of information about female entrepreneurship has not kept pace with the impact these women and their enterprises have had on the economy.

In the U.S the rapid increase in women-owned enterprises is hailed as an important achievement because small businesses provided the major source of job growth in the 1980s and 1990s. Women in U.S. have been initiating businesses at twice the rate of men. Between 1982 and 1994, businesses owned by women grew from less than 5% to 32% of all U.S businesses. According to the SBA Report (1998), the number of non-farm sole proprietorship owned by women increased by 62% between 1990 and 1996. Had this trend of start-up rate continued, women would have owned half of US business by the year 2005.

Similarly, Studies conducted in France indicated that women represent 2% of entrepreneurs which corresponds to 635,000 businesses. Women were found to account for 30% of the annual business creation and takeover in France from the informal sector (SBA, 2009; Allbusiness, 2011). These studies clearly indicate that the importance of women entrepreneurships cannot be ignored.

In most economies especially in Africa, thousands of women invest money, employ workers, operate machinery and assume the risks of production of processed foods and function as entrepreneurs. However, women's contribution is considered negligible and such intermediate enterprises go unrecognized. The Ugandan woman until two decades ago had difficulties in defining her role in the society especially in areas that required key decision making in Uganda's political economic and the social arena. It has been a long road to a woman's current status in Uganda. However, the Ugandan women have over the years organized a few formal multipurpose groupings, which engaged in cultivation, income generation, savings and cultural activities. As political space opened up in 1986 for the Ugandan women, they got the opportunity to challenge the murky practices, beliefs and institutions of the past, which limited their capabilities. Since 1986 there has been a gradual growth of women's influence in virtually all sectors of Ugandan life (Business magazine Dec.2006 – Jan..2007, p.16-17).

The Ugandan government has become a leader in women's rights in Africa and the speed with which women's lives have been transformed is amazing. The country has played a significant role in improving the status of women especially with promulgation of the

equality of women and men as enshrined in the Uganda's constitution in 1995. In 1998 the country passed a law, which among other things recognizes the right of women to own land and property. The affirmative action has been in favor of marginalized groups in the society, particularly women. All this has gone a long way in emancipating the Ugandan woman and improving her performance in business enterprises. Uganda, provides equal opportunities in education for both men and women, hence a good number of women currently hold key positions in government and are leaders in other areas such as the NGOs, professional associations and also in business. Uganda's 7th parliament had 74 women members, 13 county representatives, 56 district women representatives and five special interest representatives. In the first parliament of the East African Legislative Assembly, Uganda was represented by nine members of whom four were women. The current number of women doing business in Uganda is big and is still growing. Their involvement in business cuts across most of the sectors of the country's economy (ibid, p. 18-22).

In some instances, Women Entrepreneurs in Kenya face unique socio-economic obstacles in running their businesses to an extent that their enterprises are likely to perform poorer compared to those run by their male counterparts. Thus, women-run-enterprises would be expected to create fewer jobs and to experience higher failure rates or retardation than men-run-ones. On the other hand, women-owned enterprises have been found to employ more women than men. Hence, it would be expected that women-owned enterprises would increase women employment more than men-owned enterprises (Daniels, Mead & Musinga, 1995, p.27 & p34).

Employment policies in Kenya, as elsewhere in the developing world, have traditionally favored men and discriminated against women. Studies in development have shown that a key way in reducing household poverty levels is to increase access of women to income-earning activities as a way of economically empowering them. From the 1970s to the late 1980s, financial markets of most developing countries, including Kenya, were characterized by financial repression. This inadvertently resulted from the original policy of financial restrictions that was pursued by authorities in these countries. Financial restrictions (practiced before the market liberalization of 1990s) were aimed at encouraging financial institutions and instruments from which governments would expropriate large sums of money at the expense of their sectors (ibid, p.58). These practices have not favored operations of businesses especially among women entrepreneurs.

In the national development plans 2002 – 2008, effective plan for sustainable development and poverty eradication it was noted that an economic growth of above 6.6 percent was required to achieve poverty eradication targets; growth rates of about 7 percent are required to achieve industrial transformation by 2020/2030 (GOK, 2002 – 2008). The Economy realized a growth rate of 7 percent in 2007; 6.2 percent in 2006; 5.8 percent in 2005 against a revised growth rate of 4.9 percent in 2004. The economic growth however dropped to 2.4% in 2008 due to post election violence and global economic downturn (CBS, 2006; CBK, 2011). There are no statistical inferences that clearly indicate the contribution of women entrepreneurs towards the past significant economic growth. Several reports and studies have revealed consistently that the role of women participating in economic activities in

agriculture, small businesses and the informal sector in general is substantially negligible (UNICEF, 1990).

Women and girls in rural Kenya bear the biggest brunt and most disproportionate burden of any water scarcity by virtue of being the main collectors and primary carriers, carrying an average of 20 – 25 litres of water over distances of 3.5 kilometers for one or two hours daily. The Millennium Development Goals (MDG) aims at reducing by three quarters maternal mortality ratio (currently estimated at 414 deaths per 100,000 live births) and yet current figures show that only 9 percent of women in North Eastern province get delivery assistance from a medical doctor. Out of approximately 2.3 million Kenyans in the age bracket of 15-49 years inflicted with HIV, 1.4 million are women. The number of Kenyans living below the poverty line is more than 56 percent with more than half of them women and yet 13 out of 25 government ministries lack budgeting allocations targeting gender concerns (MDGs Report, 2003; KDHS, 2003, p.235-237). The above studies depicts the plight of the Kenyan woman and it also emphasizes the lack of empowerment nearly in all facets of the environment needed to access valuable commodities and services that can enable the woman entrepreneur to achieve a state of empowerment economically, socially and even politically.

The National Population policy for Sustainable Development (NCPD) addressed issues of empowerment of women, motivating and encouraging Kenyans to adhere to responsible parenthood among others, but as it is, women empowerment is yet to be achieved (KDHS, 2003, p.42-43). Although some research has been done on women's role in the informal sector, the existing literature indicates that not much has been done and several issues are yet

to be addressed. It is against this background that this study sought to investigate the enterprise characteristics of women-owned and/or managed small scale enterprises with a view to establish the factors influencing the performance of the same businesses in Kenya.

1.2 Statement of the problem

This study identifies women disempowerment, which if addressed may help in achieving poverty eradication and sustainable development highlighted in the millennium development goals and Kenya's Vision 2030. Despite intervention by the government to empower women even by introducing the women enterprise fund in 2007 and other policy interventions, the problem still persists. In Kenya, women constitute over 50% of the total population yet they comprise of only 9% of the total members in the current parliament (Kenya National Assembly Record, 2012). The Kenyan Women representation in social, economic and political sectors is not in tandem with their proportion. This study there sought specifically, to focus on establishing the characteristics of women entrepreneurs in the SSE sector and attempted to assess the influence of family, economic, socio-cultural characteristics, support framework and entrepreneurship scorecard on the performance of SSEs in Urban -Kenya that has not been addressed by past researchers. It also focused on the role of baseline characteristics on performance as moderating factors on the dependent and independent variables of the study. Consequently, the focus of this study was on small scale enterprises operated for three years based on retail business, personal and professional services, food vendors and the educational sector; this being traditional businesses popular with the women entrepreneurs.

While women have an immense contribution to economic development; official statistics in many countries in such as the US, New Zealand, Ghana and Nigeria categorize them as just “homemakers” (Delmar, and Davidsson, 2000; Dovi, 2012). Women contribute a lot to the economy, although most of it goes unrecognized and undocumented. By casual and general observation, women are sole breadwinners of most families and they generally contribute to the development of the economy, therefore it is important to understand their roles in the economy by examining how their entrepreneurship characteristics impact their business performance. It is therefore useful to understand the characteristics of women in SSEs in Urban-Kenya with a view to unravel the issues that may militate against their performance and suggest possible solutions that may enhance women empowerment.

1.3 Purpose of the Study

The purpose of this study was to determine the relationship between the enterprise characteristics of women entrepreneurs and the performance of their enterprises with a view to identify the areas of strengths and weaknesses and suggest possible interventions to help in revamping the SSE sector. Identification of this relationship would also go a long way in empowering women and providing a framework for alleviating poverty and attaining sustainable development in Kenya.

1.4 General Research Objective

The general objective of this study was to establish the relationship between performance indicators and the enterprise characteristics of women entrepreneurs in SSEs in Urban-Kenya.

1.4.1 Specific objectives The specific research objectives were:

1. To evaluate how family characteristics and responsibilities influence the performance of women owned and/or managed SSEs.

2. To determine the correlation between economic characteristics and performance of women owned and/or managed SSEs.
3. To examine the social cultural issues that influence performance of women owned and/or managed SSEs participation in entrepreneurial activities.
4. To assess the level of support systems of women entrepreneurs in operating SSEs and their influence to performance.
5. To assess the relationship between entrepreneurship scorecard and performance of the women owned and/or managed SSEs.

1.4.2 Research Questions

The study aimed at answering the following questions:

1. Is there a relationship between family characteristics and responsibilities of women owned and/or managed business enterprises and their performance?
2. Is there a relationship between the economic characteristics of women owned and or managed business enterprises and their performance?
3. Do women social cultural activities influence their performance in business enterprises?
4. What is the level of support systems of women entrepreneurs in operating their business enterprises and their influence to performance?
5. Is there a correlation between entrepreneurial scorecard (where scorecard is defined as-entrepreneurial skills and education required, technology and innovation, Balanced scorecard and business planning for success of SSEs) and performance of women owned and/or managed SSEs?

To answer the research questions, the following assumptions were hypothesized to guide the study.

1.5 Research Hypotheses

The hypotheses posed in this study were as follows:

H₁: There is a significant relationship between women owners and/or managers' family characteristics and performance of their business enterprises.

H₂: There is a correlation between economic characteristics and performance of women owned and/or managed enterprises.

H_{2a}: There is a correlation between financial management and performance of women owned and/or managed enterprises.

H_{2b}: There is a significant relationship between access to credit and performance of women owned and/or managed enterprises.

H₃: Women entrepreneurs' social-cultural characteristics have a strong influence on their business enterprises' performance.

H₄: There is a significant relationship between the support frameworks and performance of women owned and or managed enterprises.

H₅: There is a significant relationship between entrepreneurship scorecard and performance of the women owned and/or managed SSEs.

H_{5a}: There is a significant relationship between the balanced scorecard and performance of women owned and or managed SSEs.

H_{5b}: There is a significant relationship between business planning and performance of women owned and/or managed SSEs.

H_{5c}: There is a significant relationship between the Technology and innovation and performance of women owned and or managed SSEs.

H_{5d}: There is a significant relationship between the Entrepreneurship skills and education of the women owners and/or managers of SSEs and the performance of their enterprises.

Economic characteristics include:

1. Financial management.
2. Access to credit.

Entrepreneurship Scorecard includes:

1. Entrepreneurship education and skills.
2. Balanced Scorecard.
3. Business planning.
4. Technology and innovation.

Balanced scorecard include

Elements in the question on balanced scorecard

1. Employees perspective/learning.
2. Customer perspective.
3. Financial growth.

1.6 Significance of Study

Entrepreneurship is an important solution that can drive economies to better performance. Indeed, the global focus of employment and wealth creation is the continued development of the SSE sector which forms the core of entrepreneurship. Entrepreneurship entails calculation of risk, patience and commitment. It is anticipated that this research will go a long way to improving Kenya's economy by identifying how the enterprise characteristics influence

performance of the enterprises. Popular is the adage that, “educate a woman and you educate the whole nation/society” can be applied to this research. It will provide new knowledge on enterprise characteristics and performance of the SSEs by identifying parameters that will define women’s contribution to entrepreneurships and national development for use by the government and policy making organs, through the study of the characteristics of women entrepreneurs in SSEs. It may serve to sensitize governments on the unique characteristics of women entrepreneurs and enable governments to appreciate women’s participation in economic development and fully integrate them in economic and political activities.

It is anticipated that the findings of this research will serve as means of reducing the high mortality rate of Small Scale Enterprises and re-engineering women owned and or managed enterprises by enhancing their sustainability, success and graduation of the SSEs to medium enterprise status through application of supportive legal, technological, social informational, educational and credit environment .This can be achieved by the government through policy framework and implementers of the same policies.

Kenya being a developing country, has a high rate of unemployment and the government is trying through technical, vocational and entrepreneurship training (TIVET) to entrench entrepreneurial education in technical institutes, polytechnics and universities so as to equip the graduates with life skills that can prepare them for the informal sector employment as opposed to the traditional culture of seeking formal employment. The most hard - hit are women and the youth who after graduating from Universities and other institutions of higher learning, find themselves unable to secure formal employment opportunities, thereby failing

to gainfully contribute to economic development of this country despite their enthusiasm, energy and drive. The government of Kenya has for instance promised to improve the operational environment such that the economy to create more jobs each year (GOK, 2005). This research will therefore help in creating more job opportunities in the country. It will also help to inculcate the right entrepreneurial culture by examining areas of venture success through entrepreneurial skills and general level of education of the entrepreneurs themselves.

It is expected that this research will add to the existing knowledge by providing an insight into the understanding of impediments that women have in operating their businesses that may hinder their attainment of entrepreneurship growth and entrepreneurial success. This research will therefore help in identifying and addressing the challenges that small scale entrepreneurs face especially the women owned and or managed enterprises with a view to fast tracking development through millennium development goals and vision 2030 to help put Kenya in a new map of being a middle income economy by 2030. The results of this research can also be replicated to other countries to enable them have a faster economic growth.

This research may serve to address issues encompassing the practices and development of women owned and or managed business ventures with a view to improving entrepreneurship practices and development in Kenya and the whole world. The research results will also be of great significance to the women entrepreneurs themselves by providing an insight to the critical aspects of their businesses which need urgent attention by the entrepreneurs themselves. It will provide information which the Kenyan government and other stake holders can use to empower women in the SSEs sector.

The study will also contribute to the theory of entrepreneurship by introducing a new theory of entrepreneurial scorecard and balanced scorecard to the existing theories and showing its applicability to performance.

1.7 Scope of the Study

The study examines enterprise characteristics and performance of Kenya's SSEs, with a special focus on SSEs owned and/or managed by women in Nairobi Province. Four industry sectors were selected that have a big number of SSEs and are also traditionally popular with women entrepreneurs. The sectors chosen were the retail industry, food/ agriculture, education sector and personal and professional services. The focus was on enterprises that had been operational for three years and had from two to one hundred employees. It was expected that the result of the study would be generalized to the wider population of women SSEs in Urban -Kenya.

1.8 Key Assumptions of the Study

1. It was assumed that the enterprises were owned and/or managed by the women entrepreneurs.
2. The enterprise characteristics had a bearing on their performance.
3. The performance indicators were well understood by the enterprises.
4. The constraints to performance can be mitigated upon.

1.9 Chapter Summary

This chapter provides the background to the study by outlining the problem environment. It justified the need for the study, provides significance of the study as well as outlined the specific areas that the study looked at.

CHAPTER TWO: LITERATURE REVIEW

2.1 Overview of Literature Review

This chapter provides an over view of what other scholars and researchers have recorded on women entrepreneurships. It will also identify the gaps in research and give suggestions on how our study will attempt to fill the gaps. The chapter will relate past pertinent researches (See Appendix 16) to the proposed problem of finding the correlation of enterprise characteristics and the performance of the women owned and or managed Small Scale Enterprises with a view to laying the foundation for our study and that of future research for other scholars.

2.1.1. Empirical Literature

According to Foss et al. (2007), Resource Based theory encompasses commitment, dynamic capabilities and knowledge based view, the concept of heterogeneity is given due consideration in terms of entrepreneurial cognition, entrepreneurial discovery, changing market opportunities and different capabilities in the coordination of knowledge. This study used this theory to examine the resources available for the women entrepreneurs in terms of assessing the entrepreneurial scorecard and skills of women entrepreneurs, explore access to credit facilities and the support systems available for the entrepreneurs. Specifically, the study related the theory to the enterprise characteristics (considered to be resources) and established if there is a correlation between the resources and performance of the enterprises. Consequently it examined the direct relationship between these resources to performance of the SSEs.

Penrose (1959) advances an argument that resource based view is a subjective application to the study of resources. Resources need to be infused with entrepreneurship. Penrose (1959) explains the firm's growth as an entrepreneurial process, focusing on the firm's unique productive opportunity set envisioned by the management team. Emphasis is also made on a firm's level growth by using cognition, learning, and adaptation. The study used this theory to evaluate the performance of the firm against the enterprise characteristics by infusing growth to the resources available. This was accomplished by analysing the entrepreneurial scorecard and the balance scorecard of the women owned and/or managed enterprises. This theory will go a long way in helping us understand the elements of growth which is an indicator of performance in a firm. The study analyzed the various performance aspects based on the entrepreneurship scorecard and the balance scorecard and access to credit of the SSEs and established if there is a correlation between these factors.

Langlois (2007) argues that entrepreneurial activity should be portrayed as an individual endeavor. He advances that entrepreneurship represents a particular form of judgment that is non-contractible, it maintains that entrepreneurship reveals to the market what the market did not realize was available, or indeed, needed at all. This view of entrepreneurship highlights individual level differences in preferences, knowledge, and expectations as sources of creativity. This research did not only give attention to examining women entrepreneurs' individual creativity, knowledge and expectations but also emphasized the interactions of the team members that is, the employees who are specialists in their jobs with a view to using heterogeneous mental models as opposed to individual model.

According to a longitudinal study done by Gatewood et al. (2003) in analyzing women entrepreneurs from 1972 to 2001 in the U.S and the U.K the following issues were examined: Gender (feminist theory, sex roles), Entrepreneurs' personal attributes, Human Capital (education and experience), Demographics (age, marital status, children), Networks (family and social), Inhibiting factors (barriers and obstacles), International (countries, international comparisons), Public Policy/Government, Motivations (aspirations and goals), Founding strategies (strategies and management teams), Initial capital resources (debt, equity, financing) and Investment process.

Researchers have studied some aspects of small-scale businesses financing and performance of women in the manufacturing sector, women entrepreneurs and women with disabilities. These studies form a basis to this research though none of them have so far addressed the issues which will be investigated in this research. This research has identified some surveys in Kenya which address some issues on entrepreneurship and women and these include McCormick, 2001, Gakure, 2003, Kibas, 2006 and ILO, 2008).

A report by ILO (2008) indicates that Women form the majority of micro and small entrepreneurs in both rural and urban areas, yet they are among the most disadvantaged members of the Kenyan society. Women tend to be marginalized even though they play a major role in economic and social development. Their inclusion in the SSE sector is very significant to poverty eradication. The report also indicates that although women play a crucial role in contributing to economic development, they continue to remain on the periphery of this development and in most instances; their contribution is generally invisible

and unrecognized. This scenario is further complicated by the limited studies outlining specifically the contribution of women entrepreneurs to the development of the economy. A Research by Kibas (2006), found that inequality in access to education impacts negatively on the potential to venture into SSEs. He further asserts that the level of education of entrepreneurs has a relationship to growth and profitability of SSEs. Since education empowers women, those with less education suffer from lower self-esteem and, thus, avoid participation in SSEs because of fear of failing.

A study on Gender in Small Enterprise in Kenya by McCormick (2001), found that there were unequal rates of success among men and women and that men were more likely to be successful in their businesses than women. McCormick further asserts that, women do not operate on a level playing ground with men. She further asserts that women entrepreneurs are less educated than their male counterparts and even likely to be as twice illiterate as compared with their male counterparts because of institutional differences. Marriage institutions and household responsibilities for girls do not support girl-child education. Women are as a result exposed to lower educational attainment which limits their access to benefits from management and technical training programmes.

A survey by Gakure (2003) identified a series of studies highlighting segregation of women which result into stigmatization of women entrepreneurs in Kenyan society. She postulates that even successful women entrepreneurs are not viewed positively; that society does not believe that women can succeed on their own without depending on their spouses' assistance. Gakure therefore suggests that to establish a more favorable environment for women

entrepreneurships, there is needed to challenge this stereotype that relegates women to a second position in the society.

This research borrowed some of the issues from Gate wood's research on the enterprise characteristics and other researchers in analyzing if these aspects exist among Urban-Kenya's women entrepreneurs owning and/or managing small businesses. This research also sought to examine if the aspects investigated by other researchers influence the performance of the same enterprise. The analysis of the factors by researcher, title of the research and year of publication is shown in Appendix 16. The study also borrowed heavily from the theories of Foss et al. (2007), Penrose (1959) and Langlois (2007) when applying the theories of entrepreneurship to this study. For the purpose of this research, literature was reviewed on the following enterprise characteristics:

1. Family characteristics and responsibilities.
2. Entrepreneurship scorecard which will include entrepreneurship education, business planning and innovation.
3. Socio-cultural characteristics.
4. Economic characteristics: Access to credit facilities and financial management.
5. Support framework of the entrepreneurs.
6. Balance scorecard and management and,
7. Performance indicators which include size of the business, return on investments, capital growth, sales growth, growth in fixed Assets, growth in profits and growth in number of employees.

This research focused on small scale entrepreneurs because they account for a third of the employment and also contribute 10% of Kenya's Gross Domestic Product (GDP) (KIE, 2003).

2.1 Current Research Trends on Small Scale Enterprises

Focusing on the features of Small Scale Enterprises, the Kenya Industrial Estate (KIE) depicts small scale retail enterprises as those that require small amount of capital, form the majority of retail traders are often one – man business, deal mainly in non – durable consumer goods such as food stuffs and mainly deal in fast selling or moving goods (KIE, 2003). Other studies have also reinforced that small firms usually require small starting and working capital unlike the larger modern sector enterprises and the majority of these small firms use relatively cheap tools and equipment (Ondiege, 1996).

Entrepreneurs actually like to take small, calculated risks. SSEs have created a vibrant U.S. economy, in which 99 percent of all businesses are small businesses, thus the foundation for a lively small-business sector (SBA, 2009). There is in the United States, a government agency called the Small Business Administration (SBA), whose duties include helping entrepreneurs get the money they need to take the risks necessary to start small businesses.

It has been noted that previous policies in Kenya on SSEs have not recognized all activities of SSEs especially those that are farm-based as part of the SSEs sector. Majority of the SSEs are not registered with the registrar of companies (CBS, 2003, p.68ff). The contribution of these enterprises is therefore not captured in the computation of the Gross Domestic Product. This downplays the role of these sub sectors in promoting economic growth and

development. It is now recognized that most activities are carried out on the farm, this is where the majority of Kenyans eke their livelihood (GOK No.2, 2005). The SSEs Sector is fast growing but according to research findings, SSEs have a high mortality rate with most of them not surviving to see beyond their third anniversaries. This phenomenon has made it difficult for SSEs to graduate into medium and large scale enterprises, thus the “missing middle”. This has resulted in a weak base for industrial take-off and sustainable development (ibid).

For the purpose of this study, small scale enterprises are those enterprises that employ between two to one hundred people and have a business history of between three years and six years. This definition was chosen because a business that employs two people such as ‘Mom and Pop Home-based businesses are critical to the development of an economy, they now make up more than 70 percent of all businesses (Longley, 2012).The maximum of one hundred people is borrowed from the research from the KIE and also from the perception that businesses employing less than one hundred people have major challenges that they have to grapple with to reach the middle level status of entrepreneurship (GOK, 1985).

The third year period is enough for a business to have some records and also to assess areas of strength and weakness. Research has it that most businesses collapse before they reach their fifth birthday (GOK, 2005; Hisrich, 1987).The focus of this research is in businesses that have established a history. It is also at this particular stage that performance of a venture can be measured with a bit of certainty because the SSEs may have established records and also may have identified their challenges and strengths that can be used as pointers of

enhancing successful business operations. It is also important to understand the roles that the SSEs play in an economy.

2.1.1 Role of Small Scale Enterprises (SSEs)

Economic development and job creation have been the heart of most economies in their efforts to attain national development goals. In the United Kingdom, the national development council (NDC's) has for 35 years worked tirelessly with the government at all levels, state, and national as well as with the nonprofit making community development organizations with a view to achieving greater strides in national development. NDC's deal with financing developing and sponsoring commercial and industrial development projects in downtowns and neighborhoods public and community facilities and small businesses (National Development, 2010).

The role of small enterprises have received more attention in countries with market economies as well as those that are centrally planned, because small businesses are labor intensive. More people are needed to conduct their operations than the more capital intensive large scale businesses. In 1989 there were about 3 million small firms in the United Kingdom. It is further noted that over 95 percent of all U.K business employ fewer than 20 people (Kipnotes, 2008).

All over the world, small firms have manifested great roles in economic growth and development and this has made it one of the main focus for economic development policies in various economies and this further justifies why the western world, Europe and Japan are advanced in economic development. These events are however traceable from the early

1950s when the United States Government strongly favored the small firms and the US small Business Act was created. While from the early 1970s to mid 1970s to present times, European Governments' attitudes shifted sharply in favor of small firms and many policy measures were introduced in their support. Indeed, 1983 was designated by the European commission as the European year of small firm (Rothwell, 1986).

The shift to small enterprises was based on the following various beliefs that:

- (i) Small firms were more efficient employment creators than their large counterparts.
- (ii) Small firms were potentially a more suitable vehicles for the economic renewal of the less favored regions than were the branch plants of larger firms and
- (iii) Small firms had higher inherent potential for innovation than larger firms. This contributed towards the recent strong European base for industrial development (ibid).

Small Scale Enterprises have job creation ability; they can make a major contribution to a nation's economic well being. On technological development and transfer, inter – firm linkages have the potential to encourage faster technology diffusion, and a more complex array of products. However, there are limited avenues for creating linkages with large business enterprises and international organizations. There are also other issues which constrain SSE success, to date (ILO, 2008).

The Kenyan economy depends on SSEs. It is predominantly agriculture whose major contributors are the SSEs. Agriculture sector contributes 25 percent of the gross domestic product (GDP). Coffee, tea and horticultural (flowers, fruits and vegetables) are the main

agricultural export commodities. In 2002 the above goods contributed to 53 percent of the total export earnings. The manufacturing sector contributes about 13 percent of the total GDP and contributes significantly to export earnings especially from the Common Market for Eastern and Southern Africa (COMESA) region (CBS, 2003a).

The economy has undergone a structural transformation since 1994. Agriculture's GDP has declined from over 30 percent during the period 1964 – 1979 to 25 percent from 2000 – 2002. The performance of the Kenyan economy since the country became independent has been mixed from 1964. In 1974, the economy grew by about 7 percent per annum, attributed to expansion in the manufacturing sector and increase in agricultural production. Since then, there has been a consistent decline in the economy reaching the lowest GDP growth level of about 2 percent between 1999 and 2002; the consistent poor growth performance has failed to keep pace with population growth (KDHS, 2003).

2.1.2 SSE and Employment in the Informal Sector

The poor growth of the economy has contributed to the deterioration in the overall welfare of the Kenyan population. The economy has been unable to create jobs at a rate to march the rising labor force. Poverty has increased and it is estimated that 56 percent of the population live in poverty and over a half live below absolute poverty level. (CBS, 2003, p.68ff) The number of poor people is estimated to have risen from 11 million to 17 million from 1990 to 2001. Living standards keep on worsening and this is reflected in rising mortality rates, increasing rate of illiteracy and rising unemployment levels.

HIV/AIDS pandemic has also impacted negatively in all sectors of the economy not forgetting the deteriorating health services.(CBS, 2003, p.183-215ff).The Kenyan population growth rate has continued to decline from 3.4 percent per annum between 1969 – 1979 to a mere 2.9 percent per annum between 1989 and 1999 inter censal period. The decline in population has thwarted the efforts of the government to realize the goals of the national population policy for sustainable development. This has been attributed to decline in fertility rates, rise in mortality rates and HIV/AIDS pandemic since mid 1980s which has culminated to deterioration of health.

The informal sector is a major employer in the Kenyan economy. Its wage employment increased at a rapid rate over the last three decades. As the formal sector employment decelerated, informal sector employment accelerated, construction of '*jua- kali*' (informal) sectors establishment of micro enterprise credit schemes and initiation of training programs all contributed to this growth in late 1980's and early 1990s (GOK No. 2 of 1992). The informal sector absorbs those who are unable to find jobs in the formal sector. Table 1 illustrates the growth of the informal sector as a contributor to Kenya's employment.

Although it is evident from Table 1 that the informal SSEs have grown, it should be noted that there are some challenges facing this sector in its attempt to create employment opportunities in Kenya with a view to reducing poverty levels. The sector employs about two-thirds of economically active population outside the small scale farming and pastoralist activities. Small scale agriculture is still estimated to employ over 60% of the labor force. The informal sector plays the role of absorbing the potentially unemployed. The formal

sector has largely failed to meet the challenges of employment creation and income generation due to slow economic growth and declining levels of investment. This research recognizes the importance of SSEs to a country's economy and it is with this backdrop that the SSEs were chosen as a main focus of research. The study attempted to identify the constraints to success of the SSEs and also provided possible solutions to the same.

Table 1: Percentage Growth in Formal Wage and Informal Sector Employment

	1964 - 73	1974 - 79	1980 - 89	1990 - 95	1996 - 2000
Public Sector	6.2	6.1	4.9	0.1	-0.5
Private Sector	1.2	2.9	2.3	4.0	3.0
Wage sector	3.6	4.2	3.5	2.1	1.5
Informal sector	-	23	13	39	13

Source: adapted and modified from Kenya's population census report, 1999

2.2 Constraints to the Performance of Small Scale Enterprises

Although SSEs play important roles in the society by enhancing social mobility, reducing the poverty levels, reducing crime rate and enabling integration and interaction of communities among others, they face a myriad of challenges to their growth in Kenya. Throughout the world, SSEs have met numerous constraints to their performance. In Britain, urban agglomeration diseconomies has certainly been suggested as a possible cause of above – average rate of firm deaths and below–average rates of small business growth in the country's major urban centers during the 1980s. Focusing on the rural small business, the greater dynamism and the better employment growth of the same might possibly cause them to experience greater constraints than their counterparts as growth brings them up against

ceilings on further expansion in the form for example, of difficulties in labor recruitment because of small rural labor markets. Increased competition reduces the firms' ability to earn more profit, as the market size is reduced (Keeble et al., 1993).

In Kenya, the following constraints have been identified as impediments of SSE development: poor infrastructure which negatively impacts on SSE ability to competitive; a bloated cost of credit and unavailability of long and medium term financing; unsupportive regulatory environment; an unfavorable tax policy; an inefficient legal and judicial system; limited access to data on reliable market opportunities and business-related information, and poor access to markets; limited opportunities for international linkages and linkages with large enterprises; scarce information Technology(IT) resources; inadequate coordination of SSE association and organizations; inadequate access to business skills and technology and insecurity of tenure (GOK, 2005; ILO, 2008).

Porter (2008) presented five forces of competition that may influence the performance of a business enterprise. These forces consist of: existing rivals, potential entrants, substitute products, suppliers and buyers. Porter, advises that any entrepreneur should critically analyze the five forces when operating a business venture. Figure 1 illustrates the five forces of competition. From Figure 1; Incumbent firms are the most obvious and compelling competitive forces that the owner and/or manager of the SSE might consider Potential entrants- are the prospects of new rival within an industry are directly related to, and determined by, barriers to entry and reaction of existing rivals as anticipated by the potential entrants; substitutes – these are products from other industries which may serve the same

need; buyers – are a group of buyers who exert competitive pressure on a small firm by bargaining over dimensions like price, quality and services as well as by playing off this firm against competitors and finally, Suppliers exert pressure on firms through manipulating price, deciding on quality to be supplied, and delivery and follow up service of purchased inputs.

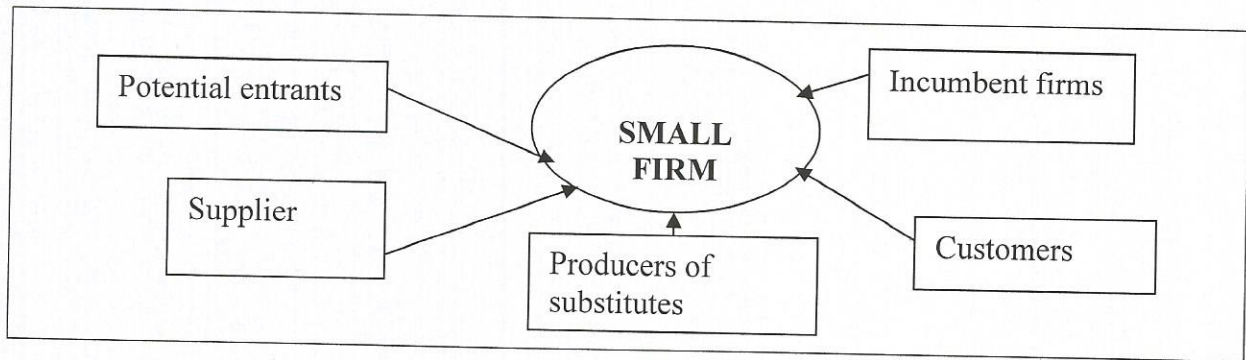


Figure 1: Competitive Forces of Small Scale Entrepreneurs

Source: Porter, 2008

Mason and Harrison (1993) dissented from the above view arguing that ‘capital is not equally available at all locations given identical risks and opportunities’. They further suggest that the constraints that operate to impede its availability must, by extension; act as a constraint upon regional economic development. Interest rates are only one aspect of the cost of finance, and an equally important factor is the collateral required for a loan. Collateral requirements are, of course, especially important to small businesses; the higher the collateral required at a given interest rate the higher the cost of finance on a risk adjusted basis to the firms.

According to Wabwire (1996), in an attempt to build small scale enterprises in Africa, development policies in the African countries have featured as the major setback since independence because they have been predominantly unfavorable to the small scale firms while favorable to the large scale firms. In Uganda for example, public and commercial

policies have favored large industrial units, but not the development of small scale enterprises. Thus industrial incentives policies comprising tax levies, customs tariffs exemptions on imported equipment and raw materials, and accelerated depreciation rules have favored the creation of large capital intensive units. Because of unsupportive policies, Kenyans industrial output is dominated by large firms which contribute an average of 70% manufacturing value added, and have a higher recorded contribution to GDP than small enterprises (GOK, 1992).

Another constraint to the performance of small – scale enterprises is poor technological development. Government documents emphasize technological development as the challenge and impetus for economic development and suggest that the logical first route for Kenya is the transfer of technology from foreign to local investors and from large to small enterprises through, subcontracting-relationships, partnership, and, joint-ventures (CBS, 2003). Yet, in practice, incentives for technology transfer from large to small firms have neither been adequately articulated nor followed up by policy makers. Consequently, many of the partnership agreements meant to implement these policies have not been fully implemented and little technology transfer has occurred. In addition, few incentives for such technology transfer are apparent Weakness in entrepreneurial or managerial functions is another constraint. In this scenario, expanding a business requires alertness to opportunity, practical creativeness and willingness to take some risks. Most business owners either lack these qualities or they do not really want to expand because they are satisfied with a steady income (CBS, 2004; GOK, 2004).

This study focused on socio-cultural characteristics, family characteristics and responsibilities of women owned and managed enterprises, entrepreneurship competencies, access to credit and support networks in view of possible constraints of women entrepreneurs. The study built on these theories in an attempt to outline constraints and barriers that have impeded the growth of women entrepreneurs in Urban-Kenya and it also attempted to provide solutions.

2.3 Women Entrepreneurship and Gender issues

This section reviewed gender issues and entrepreneurship with a view to examining how gender parity can be a pointer to entrepreneurial sustainability and success. It is important to take note of the disparity between men and women in several issues of entrepreneurship and highlight what women go through as they struggle to create an impact on economic development.

2.3.1 Gender Disparity

The traditional gender roles over-burden the girl child, thus limiting the opportunities for social and economic development. There exist various disparities especially where women are concerned. There are gender disparities in literacy and education attainment. Although school enrolment at primary level for girls and boys are at par, disparities increase at secondary and post-secondary education levels due to female dropout rates attributed to socio-cultural and economic factors. Low levels of education attainment by women is exacerbated by retrogressive social cultural practices resulting in low participation and representation of women in decision making positions and lack of access to economic opportunities (GOK, 2005).

Women are also exposed to some form of harassment and also experience social and economic discrimination, because of the patriarchal nature of the Kenyan society that rates women below the male gender; the constitution acknowledges that women are not at par with their male counterpart, hence need for women empowerment (GOK Constitution, 2010). Research has it that only 3% of the total number of women own title deeds, while almost all men (apart from the squatters) have the same document that can give them an opportunity to access financial assistance to boost their businesses. They also face harmful cultural practices such as female genital mutilation (FGM), forced early marriages, food taboos and sex violation. This study focused on the socio-cultural characteristics of women entrepreneurs with a view to examining their cultural practices such as land ownership and gender roles among others and it also analyzed if these characteristics have a correlation to performance.

2.3.2 Women Entrepreneurship

Over the past several years people have become increasingly aware of the need to focus on entrepreneurship development as a more specific objective in the support of women in developing countries. The effectiveness of women entrepreneurship development programs however has been hampered by the fact that people are still putting too much emphasis on gender and not enough emphasis on entrepreneurship as such. Due to cultural issues, women entrepreneurs do not enjoy the required support necessary for entrepreneurship growth. Women have issues of access to education, capital and support networks because of institutional discrimination (ILO, 2008; Gakure, 2003; Kibas, 2006).

A more specific focus on women entrepreneurship development has recently emerged which lays more emphasis on the economic benefits of women participation. An estimated 35

percent of all households worldwide are headed by women, their participation in the labor force is growing in most countries and they comprise an increasing proportion of informal sector activities in almost every developing country in the world. In Kenya, more than 32% of households are headed by women; many of whom are beginning to venture into some form of small scale activities or self-employment out of necessity. Absorption of women into formal sector wage labor is shrinking in relative terms, currently representing only 20% of the total labor force in the formal sector. Their participation in the informal sector is on the increase with a representation of about 35% in 1990 (Brelan Consultant, 1990). The participation of women in the informal sector of the economy is probably a great deal higher than this statistics indicates. However, women economic activities are most often undertaken in their homes thereby escaping notice and recognition. Women in the informal sector are the highest employer of women especially in the small scale enterprise outside agricultural sector in Kenya. Out of the 1.3 million enterprises in 1999, 75% were in trade and service sub sector, 13.4% were in manufacturing of which 7.7% were involved in other activities (GOK, 2005).

A survey done by the Kenya Demographic and Housing Survey (KDHS 2003, p. 35-42) revealed that 75% of women receive cash for their work, while almost one in 5% of the total number of women engaged in entrepreneurial activities is unpaid. Women are more likely to be paid in kind, or not paid at all if they are employed in agricultural activities. Women are more prone to seasonal and occasional work if they are employed in agricultural activities than if they are in non-agricultural occupation and conversely continuity of employment is more assured for women engaged in non-agricultural work. It is apparent that the most

critical factor in gender inequality is limited access to formal education and training. 13.7% women have no formal education and therefore, many women concentrate in unskilled and semi-skilled categories in the labor market and also in trade and service sub sector of the SSE. This perpetrates poverty levels amongst women as they are mainly concentrated in operating enterprise (GOK, 2005).

Women entrepreneurship development has achieved limited success due to the approach given to it. The approach has retained the focus on women as opposed to emphasizing the concept of entrepreneurship. There has been an excessive concentration on gender specification rather than integrating women in the main stream of economic development. For example, Kenya Women Finance Trust (KWFT), the largest and most significant microfinance institution (MFI) has been providing financial assistance to business women in Kenya for several years, but the impact has been extremely limited. In 2000, KWFT loaned an estimated 13.6 per cent of the micro-finance business in Kenya. It is considered one of the largest suppliers of micro-finance in the country and a major provider of micro credit financing to women. Its majority lending goes to group-based organizations and not individualized (ILO, 2008).

The KWFT has also issues of loan default and slow loan repayment. In its 2003 Annual Report, it was noted that it had 73,001 active members while 48,892 outstanding loans, representing a total unpaid loan balance of Ksh. 770 million. The focus has been on “women” regardless of their level of skills, assets and needs. The belief has been that a woman cannot succeed without the assistance of a male. Women encounter special constraints including

loopholes that prevent full implementation of equitable laws that regards employment and property inheritance. There are also issues of discrimination brought about by negative attitudes and social practices that impedes equal participation of men and women in entrepreneurial ventures (ILO, 2008).

According to the Kenya National Micro and Small Enterprise Baseline Survey (1999), of all the small scale enterprises in Kenya 47.75% were owned by women, yet the focus on women entrepreneurship has been continuously blurred by the variety of activities undertaken by women in developing countries as well as the sheer number of obstacles they face. One cannot help asking questions such as: how can a woman be a successful entrepreneur if she is pregnant every year? Or overworked in the family or is uneducated, untrained or unexposed to market, or cut off from financial resources or just generally discriminated against in a male dominated society? How can one address the problems of entrepreneurship if one does not first look at these related problems? A woman who is trying to run a business unit has to at some point in her life grapple with these issues (CBS, 2003).

This research therefore recognizes any income generating activity as entrepreneurship as long as the venture employs from two persons to one hundred. All activities that met the threshold of employing two people and a maximum of one hundred to qualify as SSEs so long as they have a business history of three years. All activities in the four sectors chosen for research were analyzed. These included the agricultural sector and food processing/vending which were considered to fall below the spectrum of a small scale entrepreneur by past researchers.

2.4 Education

According to National Micro and Small Enterprise Baseline Survey (1999), 10.6% of the small scale entrepreneurs had not attained any level of education, 54.6% had only primary level of education, 32.2% had secondary level of education and only 1.8% had higher level of education. The 1999 population census report shows that of those who were in primary school, 51% were boys and 49% were girls. The figures portray a near gender parity at primary school level. Of the total number of children who attended secondary school, 53% were boys and 46 were girls. These figures portray disparity at secondary school level.

According to Economic Survey 2006, enrolment in the various levels is characterized by gender and income disparities. By 2000, National gross enrolment rates (GER) in primary education was 87.6%. Female representation was as follows: 49.1% at pre-primary; 49.4% at Primary; 46.2% at Secondary; 29.2% national polytechnics and 31.7% Public universities. Females are grossly under-represented in the post school science, mathematics and technology based courses (statistics figure show gender disparity in almost all levels. Despite major strides in education and training a number of challenges still persist in women's education especially as concerns their transition rate from one level to the other and inequality, and under enrolment in key post school courses for developing the labor force for industrialization and attainment of vision 2030 goals.

Table 2: Population by Sex and Level of Education Attained

	No formal Education	Preprimary	Standard 1 – 4	Standard 5 - 8	Form 1 - 4	Form 5 - 6	University
Male	1,649,331	1,129,186	2,771,313	2,287,056	458,136	107,652	24,806
Female	2,655,939	1,038,814	2,667,020	2,441,441	403,064	43,040	12,,379
TOTAL	4,305,270	2,168,000	5,444,333	4,728,497	861,200	150,892	37,185

Source: adapted and modified from Kenya's population census report, 1999

In 2005, the number of primary schools has more than tripled from 6,508 – 18, 617, a difference of about 151 to 3, 207 in the last 46 years since independence. Universities have also grown in tandem with market expansion of vocational Technical Training institutes (CBS, 2006C). Despite major strides in education and training a number of challenges still persist. High rates that are associated with drop out in schools, low transition between sub-sectors, over centralized school curriculum development and undue lengthy completion. This has a great bearing in the acquisition of entrepreneurial skills among girls or women. (GOK, 1999) The long periods taken in higher education render education system inefficient. Hence primary school completion and transition rates have declined below 50%. From 1990 to 2000 dropout rates for girls' stood at 42%, boys 41%. Figure 2 shows that the transition rates for girls are lower than those of boys.

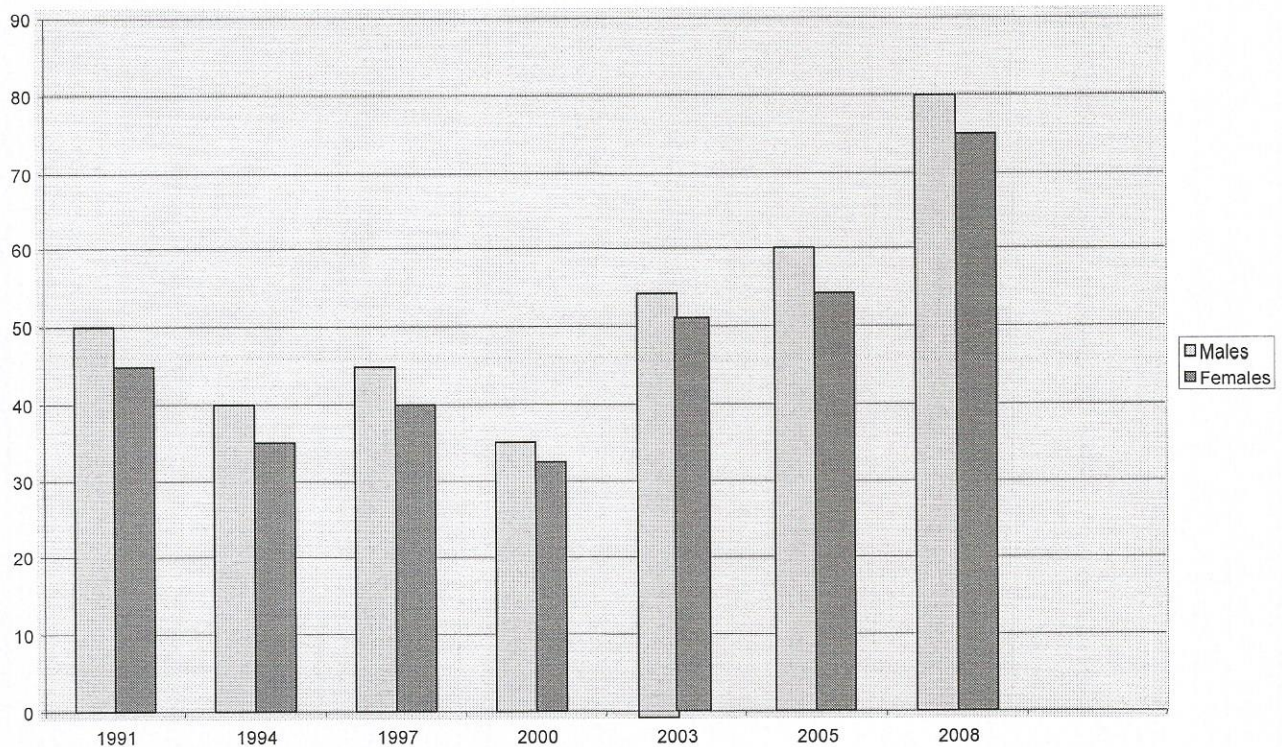


Figure 2 Primary Levels to Secondary Level Transition Rates

Source: Adapted and modified from Kenya's population census report, 1999

HIV/AIDS pandemic has also contributed immensely to drop out and high non completion rates (ibid). We recognize the challenges the government faces in offering education and training to citizens. However, the low transition rate of education of women from the secondary level to post-secondary level needs to be addressed. It is against this backdrop, that we examined the level of education of women entrepreneurs to be able to establish if it has a bearing on the performance of their enterprises. This research sought to establish the general levels of education of women entrepreneurs operating SSEs and also analyzed whether their different qualifications of education attained influence performance of their enterprises. Despite the introduction of universal free primary education by the Kenyan government in 2002, 60 percent of the children out of school have early pregnancies, female genital mutilation, poor economic situation among others (SID, 2004). Out of all the unemployed

Kenyans between 20-25 years living in urban areas, 79 percent of them are women (KDHS, 2003).

2.5 Family responsibilities

Researchers have found that men support the idea of women entering the labor force and most count on the money women earn. But, men resist modifying their own behavior to help women/partners in their careers by making their home lives more manageable so that women can be able to balance comfortably their family roles and business or careers. Increased responsibility for family can be assumed to contribute for the lower profitability of women's firms. Women have to handle family issues before addressing their business responsibilities. From 1980s, women in the U.S have been engaged in entrepreneurship activities and their numbers increased with time. However, they focused in starting businesses considered to be traditional female industry sectors limiting their growth and expansion. Women entrepreneurs preferred to remain small as regards the size of business enterprise (Macionis and Gerber, 2001).

HIV/AIDS contribute in derailing the growth of business enterprises. HIV/AIDS pandemic has also contributed immensely to drop out and high non completion rates. The HIV/AIDS prevalence rate in Kenya is higher for women than men. Women are more susceptible to HIV/AIDS. The women's infection rate is five times higher than for men for those in the age bracket of 15 to 19 years. The number of widows and orphans has tremendously increased, adding extra responsibilities and financial burden on women entrepreneurs, leading to a negative impact on their ability to contribute meaningfully to economic growth (ILO, 2008). This research also sought to examine the effect of HIV/AIDS to the performance of business

enterprises by examining the family responsibilities of the women owned and or managed enterprises and the stigma associated with HIV/AIDS.

2.6 Social networks and support framework

Networking organizations provide inter-organizational support that is different from traditional which are very individualistic and propagate in-house routines and are close ended in operations. In network organizations, members pursue collective goals aimed at benefiting all the members as opposed to traditional hierarchical organizations that follow formal rules set up by their organizations. While taking cognizance of the benefits of utilizing appropriate networks on rates of business formation, survival, and growth, women are known to broaden their horizon of networks, not only to include women but also to accommodate men. Important distinctions are noted between the content and relevance of men's and women's networks. Past researchers described women's networks as accommodative and broad in scope because apart from incorporating men in their associations, their networks also incorporate people at work, family members and social networks. However, men networks included very few women while women were more likely to include men in their networks (Doerr & Powell, 2005: p.3-19; 2010: p.3-20).

A number of private sector associations in Kenya exists each representing groups of SSEs. Key among these is the Kenya National Federation of Jua Kali Association (KNFJKA). Others are the Association of Makers and Exporters of Gift Articles (AMEGA), Kenya Organization of Small and Medium Enterprises (KOSME), Ukweli National Youth Development Programme (UNYDP), Athiani Small and Medium Enterprise Association (ASMEA), Kenya National Hawkers' Association (KENAHA), Kenya Street Traders'

Society (KSTS), and National Association of Technology Transfer and Entrepreneurship Training (NATTET). These support networks draws significant membership from women in the informal, MSE sector particularly the National Jua Kali Marketing Exhibitors and Marketing Association have 70 per cent of its members being women. Many women SSEs participate in “merry-go-round” (MGR) associations and are also group members of network associations in order to exchange business experience and skills. Although networking associations exists, over three-quarters of Kenyan SSE operators are not members of any business associations. There are categories of associations based on educational levels of the women entrepreneurs. Only 24 per cent of women entrepreneurs, who belong to these associations, use different network associations. The lower educated women entrepreneurs belong to merry-go-rounds (revolving women organized funds) and university educated entrepreneurs belong to non-SSE associations. Only 6.4 per cent of SSEs belong to women’s associations (Kibas, 2006).

The number of female headed households in Kenya stands close to 32 percent of which a large proportion is involved in labour that goes into agriculture and yet only 5 percent of the women have land ownership (SID, 2004, NRB + 21 conferences, 2006). Women entrepreneurs experience a lack of social and cultural support; they are subject to social stereotypes and there role models for them are scarce at any level. There ought to be a supportive environment that encourages women to be “go-getters” in entrepreneurship activities. Little support has been given to SSEs in Kenya, especially as concerns information and access to markets and credit facilities. According to government statistics, 6.4% SSEs in

the urban areas and 7.2% in the rural areas received assistance by the state and other support networks while, 93.1% and 92.8% respectively did not receive any assistance (ILO, 2008).

Good Governance is characterized by efficiency, equipment transparency, accountability participating democracy and sustainability. Good governance contributes substantially towards economic growth and poverty reduction by promoting efficient service delivery and investment opportunities. The government can exert influence on entrepreneurship in different ways; directly through specific measures and indirectly through generic measures. For example, when stipulating a competition policy, the government can influence the market structure and (indirectly) the number and type of entrepreneurial opportunities (Verheul et al., 2001).

The Kenyan government should provide an enabling environment for economic growth and development. The local authorities and other sectors exhibit poor governance since they are deficient in delivering services to the public as expected. Local authorities and other governing bodies lack autonomy, as most powers are concentrated in the central government. Other reasons include red- tapes (bureaucracy), poor civil leadership lack of transparency and accountability (corruption) and lack of resources among others (NDP 2002 – 2008).

While we take cognizance of the local and international support networks such as Enablis, Kenya Association of Women Business Owners (KAWBO) and Africa Youth Trust Kenya, a lot of support still needs to be given to the SSEs and especially women entrepreneurs. These include areas such as policy and legal framework which encompasses enacting laws that

favor the operation of the SSEs. Challenges such as unfriendly business environment and a harsh legal environment may militate against the success of SSEs. The SSEs quest to access to credit and market opportunities is impeded by parliament's delay in passing the Small Enterprises Development Bill that was introduced in the year 2006 (GOK Economic Survey, 2006). This study did not only seek to establish the existence of networks and support systems by the SSEs owned and/or managed by women, but it went further to establish if the women entrepreneurs are aware of the existence of support networks and if they make use of the support networks to enhance and improve their performance.

2.7 Access to Credit and Financing of SSEs

Women entrepreneurs experience a lot of financial constraints in operating their entrepreneurial ventures. They also lack the business skills that micro finance and other financial institutions look for when lending. In addition, they have extensive family roles which become a barrier as they try to manage the process of seeking and getting the financial support from banks and MFIs. Women in SSEs in many instances feel that banks and MFIs lack an understanding of their conditions and financial needs (Kibas, 2006).

Of all the small scale enterprises 38.8% have a start-up capital of Ksh. 1000 and below and only 0.4% has a start-up capital of over Kshs 5000,000. This clearly indicates the need to sensitize and avail credit facilities to the SSEs. The small scale enterprises may get financing from organizations such as Joint Loans Board which was established to provide credit to the small-scale indigenous business but the board still needs to be reviewed to strengthen and make its operations more effective, Women Enterprise Fund that was started in 2007 to lend to small enterprises, Kenya Women Finance Trust (KWFT), World Bank through KREP

Bank, Faulu Kenya and Commercial Banks such as Equity and Kenya Commercial Bank through the government initiative of releasing Ksh.8.3 billion to selected banks to assist small and micro entrepreneurs. The cooperative bank has also introduced 'Msamaria' loan to assist women groups operating viable business ventures. However, the support programs need to increase fund disbursements to SSEs because most SSEs have limited financial resources (CBS, 1999).

Empirical research findings support the existence of stereotypes on women that are preconceived to bar lending to women entrepreneurs; that women cannot operate successful entrepreneurship. Women-owned firms are likely to discontinue, have fewer resources at start-up, lack industry experience in retail and their businesses are started in small scale, hence limited chances of expansion. The type of business selection (the traditional food processing and service industry) makes it hard for lenders to provide them with financing; they are discriminated upon (Buttner, 2001).

By 2000, the Kenyan government disbursed 237 million Kenya shillings to small and medium scale enterprises through financial institutions. However, the support programs need to increase fund disbursements to SSEs because most of them have limited financial resources According to (women-owned firms have higher odds of discontinuing, have fewer resources at start-up (including industry specific experience in retail), and are launched on a smaller scale. The type of business selection by women entrepreneurs is discriminated upon by lenders (GOK Economic Survey, 2006).It is clear from the above analysis that a lot of funds do exist for SSEs, but it is also quite evident that these funds are not easily accessed by

the SSEs either because of policy issues of the various bodies giving the credit financing or due to lack of information on how to access the funds. This research examined the sources of financing that the women entrepreneurs use and also establish the extent of applying for the various external sources of credit available for the SSEs by the women entrepreneurs. This research sought to further emphasize the importance of information on the availability and accessibility of funds, and support mechanisms available for the same to convey the relevant information that women entrepreneurs can use to access funds that can boost the performance of their enterprises.

2.8 Entrepreneurship Competencies or Scorecard

The entrepreneurship competencies that were reviewed are Education and training, Business planning Technology and innovation and Balance Scorecard. This research sought to examine the use of Entrepreneurship competencies or scorecard used by women entrepreneurs and their influence to performance of the enterprises.

2.8.1 Entrepreneurship Education and Training

According to Kibas (2006), education is important for stimulating education because it provides individuals with a sense of autonomy, independence and raises their self- esteem. These qualities are important when starting and operating businesses. Education broadens their horizons; making it easier for them to grasp the opportunities available in the business environment. Education exposes the woman entrepreneur to stronger networks that can enhance women empowerment. Kenya's SSEs rely heavily on family labor which may not necessarily have adequate education and training (Gakure, 2003).

Education is one of the factors that impact positively on the growth of firms. Those entrepreneurs with large inventory of human capital, in terms of education and/or vocational training, are better placed to adapt their enterprises to constantly changing business environments. Specific education that focuses on the promotion of entrepreneurship and stimulates entrepreneurial skills and knowledge in an educational system can be used for the encouragement of commercial awareness, raising the social standing of the entrepreneur and the development of necessary entrepreneurial skills (King et al., 2000).

Research in Italy, Britain and the U.S reveal that there is need for training, workshops, seminars and other programmes to educate women about financial management and business start-up processes. In the U.S., several government initiatives concerning training programs were designed to support women and minority entrepreneurs to improve their business performance. Some research postulate that attendance and the effort spent in completing homework assignments are related to graduation of the enterprises from one level to another and that training program for low income women empowered participants to achieve economic self-sufficiency, help them to nurture strong businesses, and enhancement of development of long lasting management skills (Cook, Belliveau, & Von Seggern, 2001).

Other studies argue that although in the developed world, some efforts have been focused on micro and enterprise training; there has been concern that such programs reinforce segregation of entrepreneurs by industry, and position women into businesses areas that are not profitable. Women end up engaging in small, home-based, under-capitalized and labor-intensive industries. Women bring with them socio-cultural conditions during training.

However, some training programmes can be organized to emphasize the personal growth of individuals instead of their cultural shortcomings. They maintain that these policies have resulted in maintaining women entrepreneurs' economic vulnerability and have supported programs that relegate women entrepreneurs to social periphery instead of moving them into the mainstream economic world. They also claim that programs are needed to focus on the skills and behaviours of entrepreneurs that could facilitate growth. There is inadequate access to training, as well as follow-up to training inputs, and limited opportunity to avail women entrepreneurs of external, formal managerial capacity-building support. Women experience difficulties finding land and premises for conducting their businesses and acquiring appropriate technology. Women SSEs need a collective "voice" for their needs and concerns in the country (Cohoon , Wadhwa and Mitchelle , 2010).

In Kenya for example, there still exists a gap on capacity building for women entrepreneurs. An example of this is the women enterprise fund that was created but it was noted that not all the fund has been disbursed. There could be issues of lack of sensitization on women about this fund and this research sought to address the problem. Women entrepreneurs operate in crowded areas where markets are saturated and they seem to lack adequate information about appropriate market opportunities (CBS, 1999).

According to Amyx (2005), one of the most significant challenges is the negative perception towards entrepreneurship. Clearly, most people venture into business or self-employment when formal employment opportunities fail to materialize. Most of those who succeed in entrepreneurship are either trained on the kind of businesses they venture into or continue

business training as they progress. This is in consideration of the fact that every business has many facets, which every entrepreneur must be familiar with. Those who do not undergo training are unlikely to be familiar with all the facets. Furthermore, the business environment is highly dynamic, therefore requiring changing approaches to doing business. Probably, that is why the success rate of new business is only 15% in the first five years (Kenya National Bureau of Statistics, 2007).

According to ILO report (2008), women entrepreneurs lack capacity to operate successful entrepreneurial ventures. The report indicated that 74.5 per cent of women entrepreneurs do not have business management skills, such as finance, production management, marketing and human resources management. Women have lower level of education of as compared to their male counterparts. As a result of this, women are not likely to benefit much from managerial and business skills organized by various organizations. There are some initiatives organized by Non-governmental organizations and donors to build capacity of women SSEs. One such initiative is the Kenya Business Development Services (BDS) funded by United States Agency for International Development (USAID) to increase growth and incomes among rural Micro and Small Enterprises (MSEs) through access to markets and business services enabling them to compete. However, most women entrepreneurs are unaware of the availability of the Business Development Services given the low take-up of the service - only 14 per cent of the entrepreneurs surveyed availed of the BDS training and business counseling. There is need to sensitize women entrepreneurs on the availability and importance of these programs.

According to Stevenson and St-Onge (2005), not as many women entrepreneurs use BDS, because of cost, access, necessity, or availability. Men entrepreneurs, however, use BDS more, since they operate larger businesses requiring more capital and technical skills. The in-attendance of women entrepreneurs of the BDS could be due to their dual roles of family responsibilities and business managers and or/owners and sometimes, they may not access these important entrepreneurial services due to denial of husband's permission to leave home.

Entrepreneurship culture and expertise should be first inculcated in Kenyans. This means that skills in entrepreneurship, business planning and financial management must elaborately be imparted before any funds such as the youth fund and women's fund are disbursed. There are training programs aimed at equipping businesspersons with book keeping, marketing, salesmanship and management skills at Kenya Institute of Business (GOK, 2002-2008). However, the problem is that few women entrepreneurs participate in these training programs. This study did examine the entrepreneurship competencies of women entrepreneurs with regard to business planning, innovation, business record keeping, banking and access to information, leadership and management style through balanced scorecard.

2.9 Balanced scorecard and Management Style of Women entrepreneurs

Women invest in creating relations when working with employees and clients they use strategies that focus on creation and development of teams, mutual empowering, achievement, and perseverance. The theory of relations can be seen as an advantage and a potential for identifying important interactions among women entrepreneurs and important stakeholders in their own businesses (Buttner, 2001). Balanced Scorecard is a strategic planning and management system used to align business activities to the vision statement of

an organization. It attempts to translate the company's vision and mission statement into the practicalities of managing the business better at every level (Figge et al., 2002; Kaplan & Norton, 2003). A Balanced Scorecard approach takes a holistic view of an organization and harmonizes the metric driven incentives so that efforts percolates to all facets of the enterprise to obtain a synergy of goals. Balanced Scorecard entails doing an analysis of the following elements: aligning the Company's strategic plan and vision to the financial status of the organization; assessing the organization and its operations; evaluating the expertise of the human resources and monitoring and assessing the level of customer satisfaction. Figure 3 is an illustration of a balanced scorecard that can be used by SSEs in managing their enterprises effectively and efficiently.

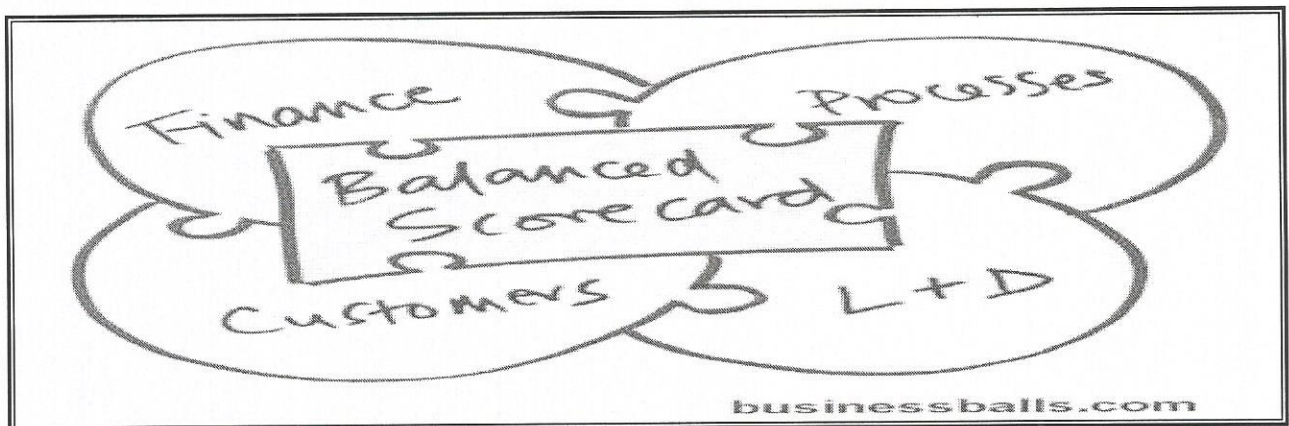


Figure 3: Illustration of the Balanced Scorecard Drivers

Source: www.businessballs.com/balanced_scorecard/2011; Kaplan & Norton, 2003

There is an interface in each of the four perspectives, they are not mutually exclusive but they depend on one another. An improvement in just one area may not necessarily guarantee for success in the other areas (Marques, 2012; Kaplan & Norton, 2003). A Balanced Scorecard should result in: improved processes, motivated and educated employees, enhanced information systems, monitored progress and greater customer satisfaction and increased

financial usage. A proper analysis has to be done on the factors upon which the performance of each department will be assessed and the results used to make decisions on improving the performance of enterprises. After measuring all the elements, metrics must be aligned to the enterprise's overall philosophy and strategic plan (Russo, 2006; Marques, 2012). Table 3 is an example of a balanced scorecard indicator with an illustration of the four drivers of a balanced scorecard.

Table 3: Balanced Scorecard Indicators

Department	Areas
Finance	<ul style="list-style-type: none"> • Return on Investment. • Cash Flow • Return on Capital Employed • Financial Results (Quarterly/Yearly)
Internal Business Processes	<ul style="list-style-type: none"> • Number of activities per function • Duplicate activities across functions • Process alignment (is the right • Process in the right department?) • Process challenges • Process automation
Learning & Growth	<ul style="list-style-type: none"> • Is there the correct level of expertise for the job? • Employee turnover • Job satisfaction • Training/Learning opportunities
Customer	<ul style="list-style-type: none"> • Delivery performance to customers • Quality performance for customer • Customer satisfaction rate • Customer percentage of market and Customer retention rate

Source: http://www.businessballs.com/balanced_scorecard/2011; Kaplan & Norton, 2003

A Balanced Scorecard approach will focus on four perspectives: Financial, Internal business processes, Learning & Growth (human focus, or learning and development) and Customer. The balanced scorecard can only work when all the human resources are involved in its implementation. It requires full participation of all levels of human resources in an organization. However, if a balanced scorecard does not incorporate the lower echelons of the organizational management hierarchy, its objectives might not be very easily attainable. Feedback is essential as the employees of any organization need to know where their past, present performance and actions for improvement in the future. Feedback should be ongoing and contributed to by everyone within the organization.

This study adapted three drivers of the balanced scorecard but omitted the internal business process as a driver of the scorecard since most businesses investigated were very small and unstructured and they did not have a vision and functional areas to be used in the alignment of business activities. Most businesses did not have company visions that would lead them to expected destinations. The business enterprises that had visions had them in the minds of the owners; they were unwritten. Using internal business process as a driver would have put other businesses on unlevelled ground, granting other businesses advantage over their counterparts. The internal business process as a driver was therefore not applicable in this research. However, this research looked at the holistic application of the other drivers of the scorecard to establish the synergy to the philosophy and strategic business plan of the enterprises and ultimately how this form of management style and tool used by the women entrepreneurs impacts on performance of SSEs.

2.10 Technology and Innovation

Venture success can be derived from new technologies such as web-based platforms to reach a greater audience (Austin, 2006). Discovery can emanate from needs, and inefficiencies in operations which call for change and improvement of systems within an enterprise. If the change translates into value addition for the business enterprise then the outcome can be considered to be an innovative venture which has resulted into appropriate technology transfer. Johnson (2003) recognizes the need of mobilization of resources at the right time to be an important aspect of technology transfer. Whereas most organizations do actually make discoveries in the course of their operations, a lot of gaps exist in their commercialization of the same ideas.

This research attempted to answer questions such as:

1. How many discoveries are made within the lifespan of an SSE?
2. How many managers actually support the springing of ideas from their employees?
3. How many owners and/or managers of SSEs actually experiment on new ideas founded by themselves or the 'intrapreneurs'-innovative employees?
4. How many SSEs have an innovative department or a research team in their organization?
5. Have the entrepreneurs adapted the use of handset cellular phones in keeping customer contacts and mobile money transfer such as Orange money (from Orange mobile service provider), Zap (from 'Zain' mobile service provider) and 'M-Pesa' money (from 'Safaricom' mobile service provider) transfer in their business operations?

This research also attempted to answer the following new questions in the field of SSE. For example, does belonging to a particular ethnic or community make an entrepreneur more alert to innovation? Is the gene of entrepreneurship innovation wired in a particular ethnic group? Recent research has it that belonging to a particular community can have certain disadvantages compared to other communities with respect to access to resources (Peredo and Chrisman, 2006). The study sought to find out if certain aspects of human capital are a preserve of certain communities and what aspects are really useful to the success of a business venture.

Research acknowledges the importance of knowledge as an important asset to venture creation and success. Research also appreciates that knowledge also known as human capital is an agent of enterprise success (Becker, 1993). However, other agents of a business enterprise exist such as the aspect of venture capital espoused by Schumpeter (1939) in his theory as the entrepreneur being an economist and the role that money plays in starting and sustaining an entrepreneurial venture. Mises (1959) puts emphasis in human action in entrepreneurship innovation. Technological system comprises of various components which have to exist in a collective interaction (Carlsson and Elliasson, 2003). The synergy of all the components of technology such as the 'human capital', 'venture capital' and the 'actors' result into creation of innovation. The study put together all the fragmented theories on technology and innovation in an attempt to establish how women entrepreneurs behave in ensuring that their businesses succeed.

Contemporary technological developments, such as the application of information technology, seem to favor small-scale production through cheaper capital goods, a decreasing minimum efficient scale and possibilities for flexible specialization (Loveman and Sengenberger, 1991). Moreover, recent advances in information technology have created better access to information and communication devices that may facilitate small business ventures and enhance the competitiveness of established small businesses. The (marginal) costs of transforming information across geographic space have dramatically decreased. Information can be transferred through email, fax machines, and cyberspace (Audretsch and Thurik, 2000 and 2001). The study sought to find if the women owners and/or managers of SSEs take the advantage of technology such as the use of cell-phones to keep an inventory of their customers and to enhance money transfers in their business operations.

In Kenya, government reports and statistics emphasize technological development as the challenge facing economic development and suggest for transferring technology from foreign investors to local investors and from large to small enterprises through subcontracting relationships, and joint ventures (GOK, 2005). Transfer of technology to SSEs increases the production volume because of the many SSEs, thereby increasing the number of new products and service in the economy. In regard to capacity utilization and resource use, small enterprises continue to offer large firms an alternative form of capacity increase without a commensurate increase in investment, through capacity sub-contracting. Thus, when faced with fluctuating demand patterns, large firms turn to smaller ones to increase supply in order to smoothen over the supply discrepancy. Smaller firms are also seen to ensure proper utilization of resources to eliminate wastages (CBS, 2004).

Small enterprises are further observed in changing and rejuvenating market competition because of their large numbers in a given market, and also by the intensity of their activity and hence contributing to entrepreneurial activity in an economy. Small enterprises are also seen to overcome the negative effects of monopoly in an economy as they are numerous in number and occasionally deal in related products thus encouraging stiff competition amongst them. From Kenya's perspective on SSE development, the major benefits of the small enterprises are their contribution to the economy are in terms of output of goods and services, creation of jobs at relatively low capital cost, especially in the fast growing service sector, development of a pool of skilled and semi-skilled workers who are the base for future industrial expansion, instrumental in strengthening forward and backward linkages among socially, economically and geographically diverse sectors of the economy by creating demand as well as supply (CBS, 2003).

It has also been established that 90% of rural enterprise products are marketed directly to rural households. Small scale enterprises provide excellent opportunities for the entrepreneurial and managerial talent to reduce the critical shortage of entrepreneurs which is often a great handicap to economic development, and support industrialization policies that promote rural-urban balance. SSEs are also helpful in increasing savings and investments by local Kenyans and encouraging the use of local resources (CBS, 2004).

It is important to have someone taking the initiative to innovate. This study examined the technocrats who apply the technology created as other agents in technology and innovation. They were referred to as 'Actors' in entrepreneurship transformation and value addition.

Technology and innovation is therefore a social aspect which involves many players. The study attempted to establish the interactions of all the parties and stakeholders in technology creation such as owners, managers, employees and customers' role in enhancing technology and innovation of the women SSEs.

2.11 Performance

Studies by Loscosso and Robinson, (1991) and Loscosso, Robinson, Hall, and Allen, (1991) propose that women-owned businesses have lower sales volumes and lower incomes and employment growth as a result of engaging in unprofitable type of industries. Women Entrepreneurs also lack access to capital, and experience difficulties in securing government contracts. For the purpose of this study indicators of performance such as growth in sales volume, Capital accumulation-initial capital invested and growth; levels of profits; increase in number of employees and increase in assets, were used to measure performance through determining Performance Index.

2.12 Research Gaps

A critical review of literature, done against the background of the theoretical framework and empirical research only serves to further elaborate on the inconclusive nature of research underlying women entrepreneurship. The review actually presents very many fault lines which could be investigated through empirical enquiry. Some gaps have been identified on research that has been done by previous researchers on women entrepreneurs, hence, this research sought to fill the gaps that have not been dealt with. Previous research has been rather general and not specific on issues of women entrepreneurships. Issues of ethnicity, education, marital status, age and their relationship to performance have not been addressed. Several researches have been done on women entrepreneurs in other countries, but none has

been done in Kenya that addresses together the nine issues on women characteristics against performance analyzed by this research. Most researches have focused on constraints that impede business operations rather than characteristics of women entrepreneurs. Previous research in Kenya has not focused on the role of human capital through entrepreneurial skills and the holistic application of the balanced scorecard components in women entrepreneurship; past research has only focused on individual elements such as finance.

According to ILO report (2008), empirical studies conducted in women entrepreneurs are few, and mostly general in nature, save for government publications, such as Sessional Papers, reports and development plans that only set the policy framework and regulations. Hence, there was need to carry out more focused studies on women MSEs based on actual field work and involving key respondents, such as the entrepreneurs themselves and other stakeholders. This study attempted to fill in this gap of women owners and/or managers' characteristics to determine their enterprise performance. Women SSEs management style was analyzed particularly on the use of balanced scorecard. An analysis was done on entrepreneurship scorecard and economic characteristics influence on performance.

This study also sought to establish if the women entrepreneurs have taken advantage of technology through use of handset cellular phones in recording customers' contacts and in use of money transfer service through cellular phones. Most models on entrepreneurship focuses on general entrepreneurship which incorporates both genders. An attempt was made to develop a model of female entrepreneurship that incorporated these aspects to existing theories of human capital and further assessed their influence on enterprise performance.

2.13 Contribution to Knowledge

This study identifies six key characteristics as critical to performance of women SSEs in Kenya: financial management, access to credit, family characteristics, socio-cultural characteristics, entrepreneurship skills technology and innovation by indicating the levels of significance and the coefficients of these factors to show the different magnitude of effects on performance by the six enterprise characteristics of women entrepreneurs in Urban-Kenya. This study also introduces the role of human capital in the women SSEs; entrepreneurship skills and holistic application of balanced scorecard plays a role in enhancing the contribution of human capital in the performance of the women SSEs. Women SSES requires a rare skill of human capital in form of technology and innovation, entrepreneurship skills and balanced scorecard. Another contribution is on the findings that some demographic characteristics individually influenced some performance indicators such as ethnicity and age of the women SSES in Urban-Kenya and that Business planning and Support framework have a positive but insignificant influence of women SSEs.

The study incorporates the mix of the nine factors is very important in determining the performance of women SSEs in Kenya in form of a model of entrepreneurship to guide women SSEs in Urban-Kenya to improve their performance. The nine independent variables must be incorporated in business enterprises to enable the SSEs operated by women in Urban-Kenya register improved performance.

$$Y = 2.147546 - 0.24538FC + 0.339ECC - 0.09067SC + 0.07903ES - 0.28341BS + 0.22237TI + 0.28264BP + 0.659017SF + \varepsilon.$$

Where: Y = Assigned index from the performance indicators measurement.

2.147546 = Constant/intercept;

FC = family characteristics and family responsibilities;

ECC= Financial management and access to credit combined

SC= Social cultural characteristics

ES= Entrepreneurship skills (level of entrepreneurial training);

BS = Balanced scorecard- use of drivers of the scorecard;

TI= Level of technology & innovations

BP = Business planning-having a business plan

SF =Support framework (If the entrepreneurs have networks);

ε = Error term retain;

2.14 The Conceptual Framework

This research used a conceptual framework to guide the study. Conceptual framework was the hypothesized model that identified the concepts under study and their relationship with each other (Kothari, 2006). This research attempted to explain the relationship between the variables that had been identified. The dependent variable was the performance of the enterprise that the study hypothesized to explain and the independent variables were the enterprise characteristics and the intervening or control variable was the variable that was hypothesized to influence both the dependent and independent variables. The conceptual model used in this research was borrowed from Radhakrishna, Yoder and Ewing (2007) to show the relationship between the independent variables and the dependent variable. The model shown was also used when analyzing the data. Figure 4 shows a theoretical descriptive correlation research framework that was applied in this research because it had all the components of this research that is, the Independent variables and the Dependent Variable, abbreviated as IV and DV illustrates the proposed framework that was modified for use.

In Figure 4, Factors were considered to be the independent variables and Group Formation to be the dependent variables. RQ1 to RQ4 are the various hypotheses of research. Demographics and knowledge acquisition can influence group behavior through individual behaviors. An operational model was further developed from the conceptual framework that had similar components used in carrying out the research. Figure 4 illustrates a proposed conceptual framework. The framework illustrated in Figure 4 was used in this research because it has all the essential components this research is going to investigate. The independent variables and the dependent variables abbreviated as IV and DV respectively in the model. The independent variables such as social capital, knowledge acquisition and

demographics were hypothesized to influence the dependent variable which is group formation. It is hypothesized that there is a correlation between the independent variables and group formation (dependent variable).

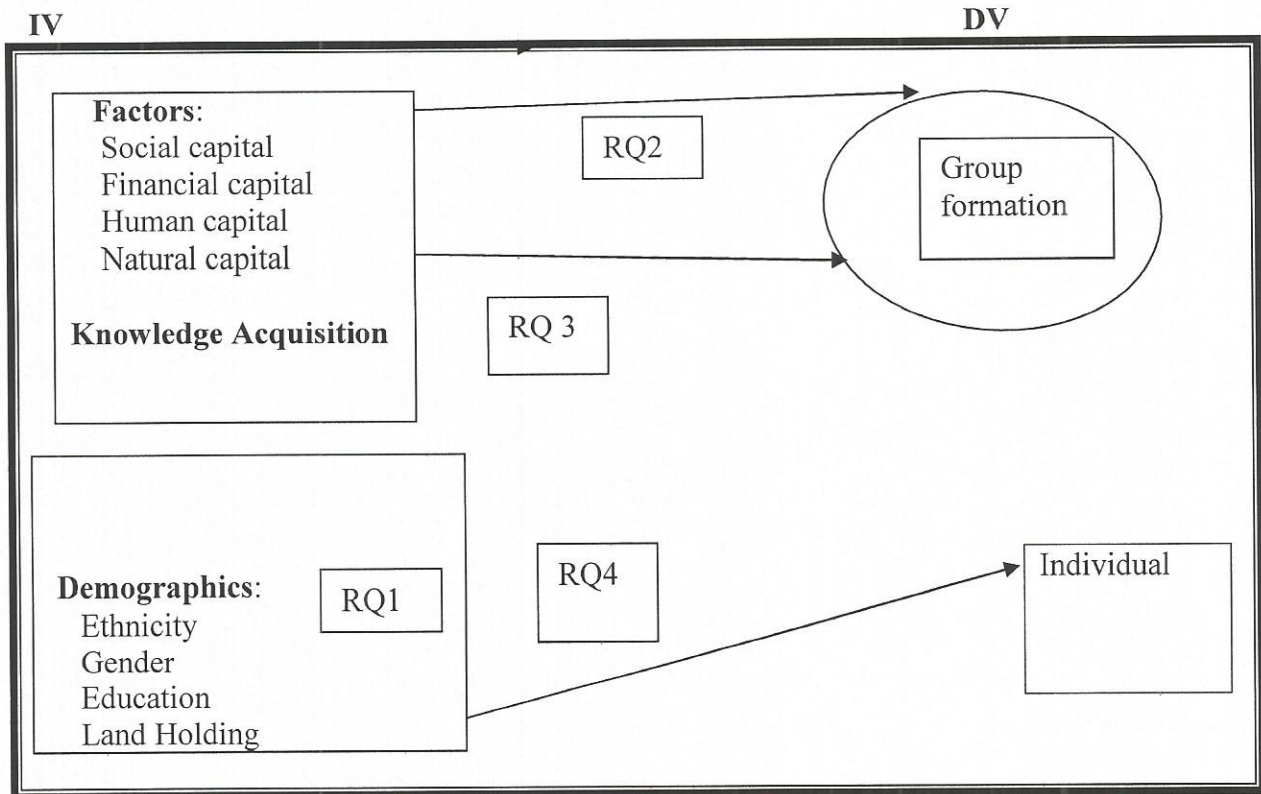


Figure 4: Proposed Conceptual Framework

Source: Radhakrishna et al., 2007

2.15 Operational Conceptual Model

The conceptual framework was operationalized and the methodology of measuring the variables illustrated and explained in Figure 5. This research used the framework in Figure 5 to establish the correlation between the enterprise characteristics and the performance of women entrepreneurs in Urban-Kenya's SSEs. It therefore illustrates that in order to have entrepreneurship growth, to achieve Vision 2030 and to attain high levels of national development, Kenya needs improved participation of women in small enterprises (SSEs) to

hasten attainment of the required level of GDP (above 7%) which will be reflected in her economic growth and national economic development.

The small scale enterprises should have a great influence on the level of entrepreneurship activities in an economy which will ultimately influence the rate of development in the national economies. The enterprise characteristics (IV) and its antecedents were the independent variables because they were assumed to influence the performance indicators (DV) which were considered to be dependent variables. Figure 5 gives an illustration of the operationalized model.

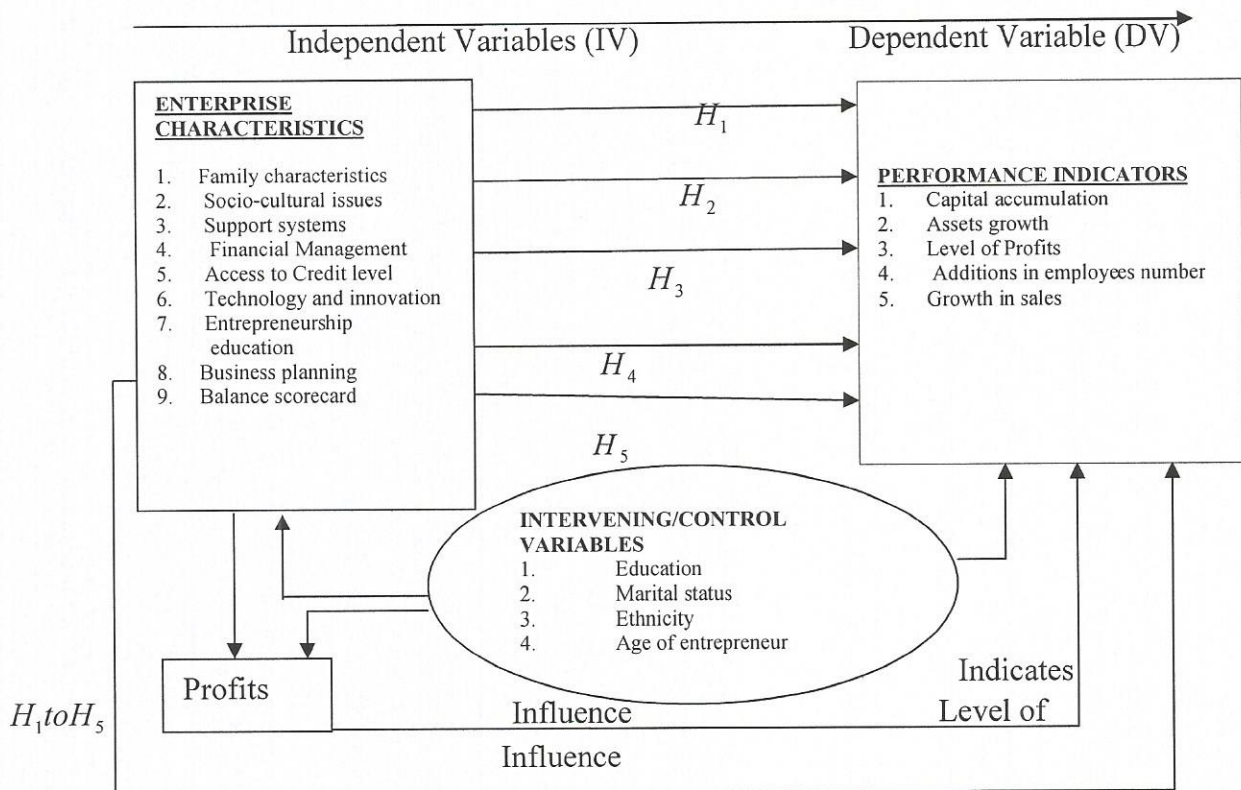


Figure 5: Women Entrepreneurs in SSEs and Performance

Key: H_1 to H_5 are hypotheses 1 to 5 that were used to guide the study

Source: Researcher, 2012

The study sought to establish the correlation between the independent and the dependent variables. This study provides a conceptual model of women entrepreneurs and their

contribution to enterprise activities through small scale enterprises. It examines the women characteristics and the impact of such to enterprise performance. The study aims at contributing to a growing body of knowledge, theory and research that attempts to explain the founding, survival and success of women entrepreneurs and the general small scale entrepreneurships.

This framework focused on small-scale enterprises owned and/or managed by women and the enterprise characteristics that determine their performance and their contribution to national economic development of Kenya. This formed the basis upon which the socio-cultural factors and entrepreneurship scorecard and their relationship to performance were measured. The variables in this study are provided and explained below.

2.15.1 Independent variables

The independent variables corresponded to the enterprise characteristic that are mentioned below.

2.15.2 Family characteristics of the Women Entrepreneurs

The relationship between family characteristics and performance were based on the following hypothesis:

- H_1 : There is a significant relationship between women owned and/or managed enterprises' family characteristics and performance of their business enterprises.

The following family factors were analyzed in this research:

- i) Family financial obligation-were measured in terms of average annual income and expenditure. The analysis were based on the following hypothesis:

- ii) Family size-were measured on interval scale.
- iii) Family roles-were measured on interval scale.
- iv) Family stability-were measured on interval scale on contribution of spouse to domestic expenditure.

2.15.3 Economic characteristics of Women Entrepreneurs

The relationship between Economic characteristics and performance were based on the following hypothesis:

H₂: There is a correlation between economic characteristics and performance of women owned and/or managed SSEs and the performance of their business enterprise.

The following economic issues were analyzed:

- i) Accessibility to information on credit and market opportunity was measured on ordinal scale.
- ii) Financial management such as issues of banking money, having separate accounts of business and family issues, proper record keeping etc.

2.15.4 Socio-Cultural Issues of Women Entrepreneurs

The relationship between Socio-cultural issues and performance were based on the following hypotheses:

- H₃: Women entrepreneurs' social-cultural characteristics have a strong influence on their business enterprises' performance.

2.15.5 Support Network and framework

We analyzed the support framework and network based on the following hypothesis:

- H₄: There is a significant relationship between the support frameworks and performance Women owned and/or managed enterprises. This research therefore considered the following:
 - i. Support from government bodies-was measured on ordinal scale.
 - ii. Support as a result of networking with other organizations or other entrepreneurial ventures or business associations. These were measured on ordinal scale.
 - iii. Support from banks or micro-finance institutions or the government through the youth or women enterprise funds-was measured on ordinal scale.
 - iv. Access to information-was measured based on interval scale to establish networks of information over the three year period.

2.15.6 Entrepreneurship competencies or Scorecard

The analysis of the entrepreneurship scorecard were based on the following hypothesis

- H₅: There is a correlation between entrepreneurship scorecard and performance of women owned and/or managed enterprises.

The following entrepreneurship scorecard was analyzed in this research:

- (i) Business planning-was measured based on the availability of the firm's vision – written or unwritten at the start up of the business.
- (ii) Entrepreneurship education-were measured based on the educational level reached in attaining entrepreneurial skills.

- (iii) Balance Scorecard was measured in terms of improved management techniques over time with regard financial growth, employee learning/participation and growth and customer perspective.
- (iv) Innovation or technology was measured in terms of interval scale to establish the accumulation of and application of innovation over the three year period.

2.16 Dependent Variables

The dependent variables corresponded to performance indicators described below.

2.16.1 Performance indicators

- i) Capital accumulation was measured on interval scale in terms of capital accumulation over the three year period by analyzing capital growth of the enterprise.
- ii) Levels of profits were measured on interval scale in terms of growth of profits.
- iii) Volume of sales was measured on interval scale on the average increase in sales over the three year period.
- iv) Assets growth was measured on interval scale in terms of asset growth over the three year period.
- v) Growth in number of employees was measured by checking the increase of the number of workers for the three year period.

2.17 Control Variables

Certain variables may be said to affect the relationship between the dependent and independent variable. These include factors such as:

- i) Marital status was measured on ordinal scale in terms of whether married, widowed, single, divorced or separated.
This research sought to establish if the marital status of women entrepreneurs' mediate between their performance and enterprise characteristics.
- ii) Age of entrepreneur is measured on interval scale. This was determined by comparing the different age groups to the performance indicators.
- iii) Level of general education (not entrepreneurship education) of the entrepreneur was measured on ordinal scale. This was determined by establishing if the general level of the entrepreneurs 'education had an influence on the performance of the enterprises.
- iv) Ethnicity of the women entrepreneurs is measured on ordinal scale. This research sought to find out which ethnic background registers the best business performance.

Family characteristics and socio-cultural characteristics of women entrepreneurs may influence the indicators of profitability, productivity, general performance of the small enterprises and national economic development. The profits level will also determine the level of entrepreneurship activities in urban Kenya. Women entrepreneurship activities and SSEs have an impact on development as they provide inputs to the economy through operation of their businesses from their productivity and their profits and ultimately they contribute positively to the National economic development. See Figure 5.

2.18 Prescribed Regression model

The regression model that was used in this research was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \varepsilon$$

Where: Y = Performance Index

β_0 = Constant

X_1 = family characteristics and family responsibilities, expenditure, income

X_2 = Financial management in terms of record keeping and banking.

X_3 = Access to credit (how much obtained how many Entrepreneurs have Accessed the Women Enterprise Fund and the proportion of the fund to the profit.

X_4 = social cultural characteristics -availability of title deed and other factors.

X_5 = Support framework (If the entrepreneurs have networks).

X_6 = Entrepreneurship skills (level of entrepreneurial training)

X_7 = Balanced scorecard.

X_8 = Level of technology & innovations (growth in machines/products from inception and use of mobile phones in business operation.)

X_9 = Business planning-having a business plan at the start or in the course of operation.

ε = Error term retain

β_i is the coefficient associated with X_i ($i= 1,2,\dots,9$)

Y = Assigned index from the performance indicators measurement.

The above multiple regression equation was used to show the relationship between the dependent variable and the 9 independent variables. More specifically, regression analysis helps us understand how the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Regression analysis

enabled us understand which among the independent variables were related to the dependent variable, and to explore the magnitude and direction of these relationships. The results of the analyses carried out in the study are presented in the last two chapters. Chapter four provides the results of the descriptive and correlation analyses carried out on the data, while chapter five presents the models and conclusions that were considered to best explain the characteristics which influence business performance of women owned and/or managed SSEs in Urban-Kenya.

2.19 Chapter Summary

Through reviewing literature of characteristics of women entrepreneurs SSEs and performance, this chapter discussed what has already been done by past researchers in the area of study with a view of establishing gaps and providing a theoretical base to the study. It also described the conceptual framework, the operational framework and the regression model that guided the study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section presents a discussion on the research design, the population of the study, the sampling frame, and data collection procedure and instruments. It also presents the variables and types of data collected and how they were measured to ensure their reliability and validity. The relationship between enterprise characteristics and performance variables was measured based on the conceptual framework model outlined in this research. The hypotheses were tested using data gathered from a survey of 354 participants of Women Entrepreneurs. This explained the validity of the relationship of the variables in the hypothetical model.

3.2 Research Design

Descriptive correlation research in form of surveys was used because the research data was primarily based on the enterprise characteristics and how it is a predictor of performance. It further measured the variables precisely and reported on the characteristics of the phenomena under investigation. The research sought to find out if the dependent variable was causally related to the independent variables by investigating if the enterprise factors affect their performance. The Enterprise characteristics and its antecedents were measured through a Likert-type scale of five using 5 for strongly agree, 1 for and strongly disagree (Kothari, 2006, p.84-87).

3.3 Population of study

The population of the study consisted of small scale enterprises in Nairobi province. These are: Retailing (56,177); Education (1538); Food industry (4993) and Personal and

Professional services (5815) which are 68,523 in total number (Nairobi City Council Business register, 2010). Nairobi was chosen because it is the capital city of Kenya and it can be representative of Kenya's urban areas where a lot of commercial activities take place.

3.4 Sampling Distribution

A stratified random sample was used to select the four industry sectors in Nairobi East which consists of four divisions and 33 council's wards then a simple random sampling was used to identify the 384 respondents from all the council's wards in Nairobi East because this is where the population comprises of low and lower middle income which attracts a lot of small scale businesses due to availability of a big market for the investors who may be residing within and outside this region. The low income and lower middle income economic groups are also popular with investing in small businesses; hence the choice of this region may act as a representation of the true situation in other urban areas of the country. In order to identify the sample for the study, stratified random sampling techniques were employed. The population of study was divided into business type such as Retail (314); Food industry (28); Personal and Professional services (33) and Education (9). This samples calculation is based on $n = \frac{z^2 pq}{e^2}$ (Kothari, 2006). Where n = size of sample; P = sample proportion of success; $q = 1 - p$; Z = standard variate at 95% confidence level to be read from the table giving the areas under normal curve and ℓ is the sampling error. This calculation was done on the four business types based on their total numbers (Kothari, 2006; Johnson & Siskin, 1977, p. 374-375 and Fischer et al., 1983). The scope of study targeted 384 respondents from SSEs owned and or managed by women that have a business history of at least three years since the population size of the SSEs is greater than 10,000; p and q are unknown but are set at 50%; Z

at 95% significance level is 1.96^2 and the sample error is $\pm 5^2$ (Kothari, 2006). The following Table 4 was the distribution of the selected sample size based on the selected four business sectors.

Table 4: Stratified Random Sampling Distribution of Selected Industry Sectors Sample Size

Sector	Number of Firms	Number Selected
Retailing	56,177	314
Agriculture, Food industry	4993	28
Personal and Professional services	5815	33
Education	1538	9
Totals	68,523	384

Source: Researcher, 2012

Table 5 was the distribution of the selected sample size based on the selected four business sectors in Nairobi East consisting of 4 divisions and 33 city council wards. Makadara division had 7 wards; Embakasi, 11 wards; Kamkunji, 6 wards and Kasarani had 9 wards. After calculating the proportion of each sector per division, the questionnaires were distributed using simple random sampling in each city council division.

Table 5: Sampling Distribution of Selected Sample Size in Nairobi East

City Council Divisions	Council's Wards	Sector				Total
		Retailing Sector	Personal & Professional Services	Agriculture, Food industry	Education	
Makadara	7	67 21%	7 21.2%	6 21.43%	2 21.2%	82 21.4%
Embakasi	11	105 33.3%	11 33.3%	9 33.3%	3 33.3%	128 33.3%
Kamkunji	6	57 18.2%	6 18.18%	5 17.85%	2 18.18%	70 18.2%
Kasarani	9	85 27.2%	9 27.27%	8 28.57%	2 27.27%	104 27.1%
Total	33	314	33	28	9	100%

Source: Researcher, 2012

Note: Figures above are numbers and those below are percentages according to number of respondents per industry sector.

3.5 Operational Definition of Variables

The independent variable(s) corresponded to enterprises' characteristics. The dependent variable was performance with respect to performance indicators. The control variables were the background information such as the educational level of the women entrepreneurs, their ethnicity, marital status and age. The relationship between enterprise characteristics and performance variables were measured based on the conceptual framework. The control variables were the moderating factors assumed to moderate for the dependent and the independent variables. The confidence intervals of 90% were accepted between each of the research objectives and the associated research hypothesis. The research hypotheses were rejected at levels of significance of $p \leq 0.1$.

3.6 Data collection procedures

The major data source was primary data that was generated by use of a questionnaire collected from the owners and or managers/chief executive officers (CEOs) of the small scale enterprises. The information from the respondents was treated with utmost confidentiality by keeping anonymity of the respondents and by establishing an environment of trust with the respondents (Burns, 2000). In-depth data was gathered by using probe and prompts on issues of finance such as growth in assets, profits and capital. Research points out that, in-depth probing is only possible in interviews (Cohen et al., 2004: 24:87-152). Probes and prompts on the questionnaire acted as short interviews that were used to seek the entrepreneurs perceptions about constraints and indicators of performance and when looking for information that is perceived to be for insiders which is not easily disclosed. This was done in the case of financial matters, Balance Scorecard and Business Planning and areas that needed clarification by the researcher. According to Creswell (1998: p.147-150) interviews are

deemed ideal for this purpose. The questionnaire was pilot tested on ten enterprises that were not to be part of the sample study. Necessary adjustments were then done to produce the final instruments that were used in the study. This research mostly depended on primary data collected by surveys through use of descriptive research based on predictive variables of characteristics predetermined by the researcher to describe the correlation between the enterprise characteristics and performance of the same enterprises.

3.6.1 Primary Data

Questionnaire was the main source of data collection. However, interviews were also conducted when seeking the insiders' information. The questionnaire that was used in this research was divided into items that addressed baseline characteristics of women entrepreneurs, items on background factors of women entrepreneurs and items on other enterprise' characteristics which comprised of factors within the independent variables. The questionnaire items had also questions on the performance of the enterprises. The questionnaire consisted of both open ended and close ended questions.

3.6.2 Demographic Data

The Baseline profile included age, education, ethnicity, religion, marital status and Have children. The questionnaire in this section consisted of both close-ended and open-ended items. The entrepreneurs were expected to tick the options or indicate the correct responses in the spaces provided. The items were as follows:

1. Age.
2. Ethnicity.
3. Religion: Atheist, Christian, Hindu, Muslim, or Others.

Technology and innovation, Entrepreneurship Skills and Education and Balanced Scorecard. The researcher developed a closed-ended 5-point Likert scale questionnaire consisting of options of, 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree' and 'Strongly Agree' that were used to reveal the entrepreneurs' position on those characteristics.

3.7 Measurement of Performance Indicators

All the variables in the measurement of performance indicators were utilized in the determination of the performance index. The performance index was calculated as a proportion of the best performance score. Performance scores ranged from 5 to 25. Performance score of 25 was used to refer to the best performance, while 5 was used to refer to the least performance. A performance index was calculated from the performance score on the basis of $X/25$. The performance index ranged from 0.2 to 1. 'X' is the performance score.

3.8 Validity and Reliability of the Instruments

Pilot testing was used to establish both reliability and validity of the study instruments and to get deeper insight of what is happening in the industry. The instruments were administered on a sample of respondents that were randomly selected. Reliability being the consistency of the results obtained when administered to the sample or closely matched sample population. (Creswell, 2005). In this research, the test was split into half and the results of the two separate tests compared to establish the correlation and reliability. The results ought to be similar for each person taking the test in either half (Mugenda and Mugenda, 1999, p. 98-99).

According to Burns (2000); Mertens (2005), there seem to be different ways of establishing reliability of test instrument, hence expert opinion should be sought to establish reliability of the instruments used (Isaac & Michael, 1997; McMillan & Schumacher, 2001). For the

purpose of this study therefore, the expert review was identified by conducting a test-retest to establish the relevance of the questionnaire to the research undertaken and to determine conclusions to be used in making decisions. The Questionnaire instrument was pre-tested among 10 randomly selected women entrepreneurs who were not to be part of the study's sample group.

The initial questionnaire consisted of 97 items while the final questionnaire had 98 items. Question 94 on the specific growth on financial items in the original questionnaire was reframed because the entrepreneurs were unwilling to divulge the specific financial items. Instead question 94 was left for growth in number of employees from the year 2008 to 2010. See Appendix 3 for original and revised question. Item number 95 was introduced that was seeking the financial performance of the women owned and /or managed enterprises from the 2008 to 2010. The factors under financial performance were then grouped into classes from a performance of Ksh.120,000 - Ksh. 240,000 per year to over Ksh.4, 000,000 per year. The women entrepreneurs were asked to tick the option that relates to their performance. It was noted from the pilot study that when the entrepreneurs were asked to state their specific performances on the following items: Sales, Assets, Capital, Profits and Costs they were unwilling to divulge the information. However, when the finances were put in groups they were willing to respond.

Adequate copies of the revised questionnaire were then produced, collated and packaged for distribution to women entrepreneurs. The questionnaires were then distributed by two trained research assistants and the researcher herself. The entrepreneurs were taken through the

questionnaire and they were asked to fill in the baseline and the background factors. The research assistants and the researcher guided them through the remaining section and conducted interviews on the financial matters.

Factor analysis was also done on the factors investigated to find a way of condensing the information contained in a number of original variables into a smaller set of dimensions (factors) with a minimum loss of information. According to De Coster (1998) and Hair(1992), factor analysis is a collection of methods used to examine how underlying constructs influence the responses on a number of measured variables. For this study, data coded was extracted using factor analysis method to identify the factors that influence the performance of small scale enterprises that are owned and /or run by women in Kenya.

3.9 Chapter Summary

This chapter discussed the research methodology. It outlines how the research was carried out by describing the research design, the sample, the research instruments that were used, the data collection procedure and data analysis procedures that were employed in the study.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

Data analysis was divided into both descriptive statistics and inferential statistics. The data used in the study are cross-sectional data collected and compiled from women entrepreneurs in small scale enterprises in Urban-Kenya. The information obtained from primary data was first coded in order to easily analyze it. The codes of the variables are presented in Appendix 2 showing that a total of 24 variables were analyzed. Items that were negatively phrased were reversed during the scoring, so that a rating of '1' was indicative of a strong presence of the variable being measured and a rating of '5' was indicative of a weak presence of the variable in question.

The quantitative and qualitative data collected were coded and analyzed using Ms-Excel or SPSS version 19.0 (Statistical Package for Social Sciences) to determine the existence of a relationship between the enterprise characteristics and performance of the enterprises. A priori, it is expected that one variable will affect change in the other (Cooper and Schindler, 2007). The data was initially fed into Ms Access, Ms Excel and SPSS 19.0 to enhance easy analyses of data and also to carry out tabulation and cross tabulation to generate the frequencies of the variables under investigation. Averages of the items that constituted the various factors were then computed in order to provide an indication of the measures of each factor.

Descriptive statistical analyses were carried out to analyze the frequencies and percentages of enterprise characteristics and performance indicators and to determine the means and standard deviations of the variables under study. The means revealed the averages of the scores of the attributes of the women entrepreneurs in any given category, while the standard deviation measures provided the extent of dispersion from the mean of the attributes of the women entrepreneurs. Pearson Correlation coefficient was also used to determine the magnitude and the direction of the relationship and also to determine which continuous variables have the strongest influence on the performance of the women enterprises. According to Kothari (2006) relationship between variables are determined by Pearson correlation. SPSS and Stata was used to run regression and generate the Analysis of Variance Table (ANOVA TABLE) that were used to test the strength and the fit of the models used to bring out trends that led to conclusions. The significant level at which hypotheses were rejected was at 10% level of significance.

Multiple regression analysis was used to get the significant variables explaining the performance indicators in the model and to determine the relationship between the independent variables and the dependent variables. Regression analysis was also used to measure variables at interval levels and to show correlation between a set of independent variables while controlling for individual effects. It is therefore a useful tool in measuring the effects of a set of dependent variables (Mueller, 1977). Regression analysis was therefore done on performance indicators' index as the dependent variables against the enterprise characteristics which are the hypothesized independent variables. P (probability) values were also used to check the possibility of getting better results. Acceptable $p \leq 0.1$ and Adjusted R

values were used to determine the existence of a relationship between the variables under study. A level of 10% significance and a confidence interval of 90% were also used to determine the significance of the relationship.

4.2 Return Rate of the Questionnaires

Table 6 shows the return rate of the questionnaires that were administered for the survey. A total of 384 questionnaires were given out to women owners of small scale enterprises (SSEs) in Nairobi. Of these, 354 questionnaires were returned giving a response rate of 92.1%. This response rate was favorable according to Mugenda and Mugenda (2003) in which they assert that a 50% response rate is adequate, 60% good and above 70% rated very well. Further, Nordin (2009) in his study on consumers' attitude towards counterfeit products in Malaysia stated that, a response rate of above 70% is adequate for satisfactory research findings.

Table 6: The Return rate of Questionnaires that were administered for the Study

No. of Questionnaires Administered	No. of questionnaires Returned	Response rate
384	354	92.1%

Source: Researcher, 2012

4.3 Reliability Analysis

Table 7 states the results of the reliability analysis. It involved questionnaires from 354 respondents. Cronbach's alpha was calculated by applying the following formula in SPSS.

$$\alpha = \frac{N \cdot \bar{c}}{\bar{p} + (N - 1) \cdot \bar{c}}$$

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. By default it required that for reliability of the study ranges between 0

and 1 where by scales of 0.7 and above have been indicated to have an acceptable reliability coefficient. The findings of the pilot test showed that the calculated Cronbach's reliability alpha was 0.7636. In conclusion, the instruments had an acceptable reliability coefficient and were appropriate for the study.

Table 7: Cronbach's Reliability Statistics Results of the Instrument

Variable	Cronbach's alpha	No. of items
Family characteristics	0.722	10
Access to credit	0.721	7
Entrepreneurship skills	0.723	4
Performance	0.834	5
Business plan	0.751	6
Balanced scorecard	0.712	7
Financial Management	0.754	6
Socio cultural characteristics	0.834	6
Support framework	0.711	7
Technology and innovation	0.765	4
Overall	0.761	62

Source: Researcher, 2012

4.3 Descriptive analysis

In this section descriptive statistics of the sample are presented. The statistics includes percentages, mean and standard deviation of the variables. Table 8 describes the type of industry that the women entrepreneurs were involved in. The study shows that the majority of the respondents (81.3 percent) are in retail trade while 9.3 percent are involved in personal and professional services. The respondents involved in the food and education sectors are 6.8 and 2.5 percent respectively.

Table 8: Distribution of Percentages of Women in the Various Sectors

Industry	Frequency	Percent
Food	25	6.8
Personal and professional services	33	9.3
Education	9	2.5
Retailing	287	81.3
Total	354	100

Source: Researcher, 2012

4.4 Educational Background of the Respondents

The educational background of the respondents was analysed and the results presented in Table 9.

Table 9: Education Background of the Respondents

Education Level	Frequency	Percent
Below primary	4	1.1
Primary	44	12.4
Secondary	148	41.8
College	137	38.7
University	20	5.6
Post graduate	1	.3
Total	354	100.0

Source: Survey, 2012

From Table 9 the study shows that only 13.5% of the respondents had primary level of education and below, while 86.6% had secondary level of education and above, 46.6% had post-secondary education or training. The study further showed that 41.8 percent of the respondents had attained secondary education, while 38 percent had achieved college level. Only 5.6 percent and 0.3 percent of the respondents had attained university and post graduate education respectively and 12.4 percent of the respondents had primary education. Although there was a small percentage(1.1%) of the women in SSEs who were illiterate, overall, the study shows that majority of the respondents were literate and they have attained basic

education(primary and secondary level).Additionally the study shows that 80.5% of the sample college and secondary school had attained secondary and/or college level of education. Clearly, this suggests that there should be more focus on entrepreneurial training for this group in the sample as it would appear that a majority fell on this category. This will go a long way in enhancing entrepreneurial skills needed for improved performance. However, incentives and specific entrepreneurial skills should also be given to the other categories of entrepreneurs such as the ones who had primary level of education and below and also university education and postgraduate education to enable them operate profitable businesses.

4.5 Marital Status of Respondents

The respondents were asked to indicate their marital status and their responses were recorded in Figure 6. A majority 65.5 percent of the households were married, while 29.1 percent were single, 4 percent were separated, 1.1 percent was widowed and only 0.3 percent of the respondents were divorced. Figure 6 illustrates the women entrepreneurs' representation according to the categories of marital status.

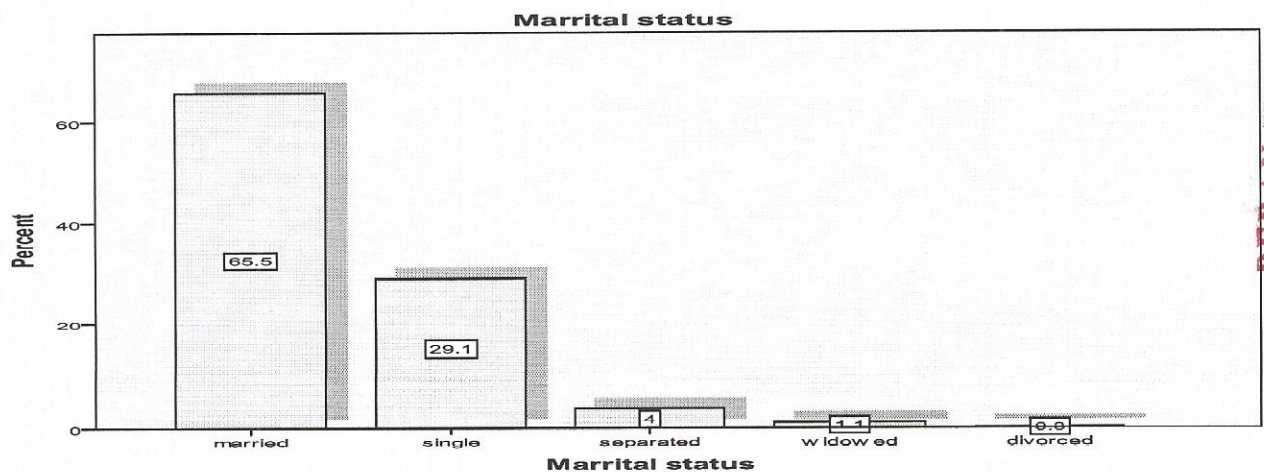


Figure 6: Marital Status of Respondents

Source: Survey, 2012

4.6 Distribution of the Age of the Respondents

A majority (175), 49.4%, of the entrepreneurs interviewed were of the age group 36- 39, while (126)35.6% were less than 30 years old, and (42)11.9%, were between 40 and 49 and only (11)3.1% of the entrepreneurs were above 50 years. The result also implies that a significant number of the members in SSEs are on average aged between 30 and 39 years. Table 10 also shows that a small percentage(15%) of those who are above the 40-year age bracket operate SSEs; this could be explained by the possibility of the women in the middle age and old age having graduated to the next level of entrepreneurship-medium scale enterprises or they may have just perished or collapsed in business. However, the study also indicates that a majority (301 or 85%) of women entrepreneurs fell within the 40-year age bracket and below. Therefore, this result indicates that at youthful age or the average age of below 40 years the women are more enthusiastic in operating SSEs than the older age groups.

Table 10: Distribution of Participants by Age Ranges

Baseline Factors	Frequency	Percent
Age (in Years)		
< 30	126	35.6
30 -39	175	49.4
40 – 49	42	11.9
50+	11	3.1

Source: Researcher, 2012

When age was further analyzed against performance indicators, results indicate that there is no statistical significance between the age of any of the components of performance as shown by the p-values of 0.152, 0.484, 0.433, 0.282 and 0.543 in the sales, assets, capital, number of employees and profits, respectively (see appendix 7).

4.7 Household Income of Respondents

The household income of the women entrepreneurs was analyzed and the Table 11 shows the different categories of income revealed by the entrepreneurs. According to the majority of

women managers and or owners of SSEs (48%) household income are between Kshs. 20,000 to 50,000, 23% of the entrepreneurs have between Kshs. 50,000 to 100,000, 10% have between Kshs. 100,000 to 200,000, 1% have Kshs. 200,000 to 500,000 and none of the entrepreneurs have an income of over Kshs. 500,000. and only 0.3%(1) have an income of over ksh. 1,000,000.

Table 11: Household Incomes of the Respondents in Kenyan Shillings

Spouse Income(Ksh)	Frequency	Percent
3000-5000	11	4.7
5001-7000	15	6.5
7000-9000	5	2.2
Over ksh. 9000	201	86.6
Household Income (KSh)		
20000	63	17.8
20000-50000	169	47.7
50000-100000	80	22.6
100000-200000	36	10.2
200000-500000	5	1.4
500000-1000000	0	0.0
over 1000000	1	0.3
Total	354	100.0%

Source: Survey, 2012

This result clearly indicates that women entrepreneurs operating SSEs are still operating with very low capital and this could explain why they do not expand their businesses. It would also appear that they are unable to access credit from banks or other sources of financing.

4.8 Background Information of Respondents

Other background characteristics of the women entrepreneurs were analyzed in the study. Table 12 shows the frequencies of these characteristics. Accordingly, over 80% of the SSEs rent premises and only about 17% own business premises. Most businesses have water and electricity that is about 77% and 81% respectively. Most SSEs are locally owned and out of the firms that are locally owned 99.7% are owned by individuals and only 0.3 % is owned by

groups. Unique observations were however made on the women entrepreneurs and they suggest that only 17% of the entrepreneurs own the premises used to conduct their businesses, while over 80% do not own such properties and out of those who own the properties only 15% have fully paid for the properties.

Table 12: Frequency Distribution of Respondents' Background Information

Background Information	Level	Frequency	Percent
Rent the Premises	yes	293	82.8
	No	61	17.2
Own the Property	yes	60	16.9
	No	294	83.1
Fully paid for the Owned Properties	yes	56	15.8
	No	298	84.2
Have Electricity	yes	288	81.4
	No	66	18.6
Have Water	yes	272	76.8
	No	82	23.2
Type of Ownership	Foreign	2	0.6
	Local	352	99.4
Locally Type of Ownership	Groups	12	3.4
	Individuals	342	96.6
Type of Organization	Government	1	0.3
	private	353	99.7

Source: Survey, 2012

This finding could be attributed to cultural impediments that bar women from acquiring title deeds. The fact that 80% of the respondents rent their premises suggests that these entrepreneurs do not have security to use as leverage for acquiring loans to build their businesses. Lack of collateral security such as land title deed would pose a serious constraint to business growth and success of the women operated SSEs in Urban- Kenya. These results would also mean that the women in SSEs do not have enough capital that can be used for business expansion, thus making them to suffer diseconomies of scale resulting from huge costs of business operations as they are unable to make bulk purchases that would enable them to enjoy quantity discounts from their suppliers and creditors.

4.9 Relationship between Educational Level and Household Incomes

Table 13 shows the cross tabulation between the level of education of the women entrepreneurs and their levels of household income.

Table 13: Cross Tabulation Results between Household Income and Education Level

Education Level	Household Income in Kenyan Shillings					
	20,000	20,000-50,000	50,000-10,0000	100,000-200,000	200,000-500,000	over 1,000,000
Below Primary	1 1.6%	3 1.8%	0 .0%	0 .0%	0 .0%	0 .0%
Primary	11 17.5%	19 11.2%	11 13.8%	3 8.3%	0 .0%	0 .0%
Secondary	33 52.4%	84 49.7%	23 28.8%	7 19.4%	1 20.0%	0 .0%
College	17 27.0%	57 33.7%	37 46.3%	22 61.1%	3 60.0%	1 100.0%
University	1 1.6%	6 3.6%	8 10.0%	4 11.1%	1 20.0%	0 .0%
Post Graduate	0 .0%	0 .0%	1 1.3%	0 .0%	0 .0%	0 .0%
Total	63 100.0%	169 100.0%	80 100.0%	36 100.0%	5 100.0%	1 100.0%

Source: Survey, 2012

NOTE

Figures that are above are numbers of respondents, while those below are percentages.

The household income comprises of the women entrepreneurs own incomes and also the incomes of those living in their households. From the table the respondents who have not attained the primary level are earning in the range of 20,000 and 100,000 Kenyan shillings. 19.4 percent and 20 percent of the respondents with secondary level of education earn between 200,000 and 500,000 thousand Kenyan shillings respectively. 60 percent of the

respondents with college level of education and 20 percent of the university graduates earn between and 500,000 thousand Kenyan shillings. The table clearly indicates there is a high level of correlation between and the level of income and education level. The results show that the higher the level of the entrepreneur's education, the high the amount of their household income. This justifies the outcome that the vast majority of the respondents who are more educated have high incomes. This would also mean that the entrepreneurs with better income would be in a position to be better performers in their businesses because they have more income at their disposal which they would use to expand their businesses as opposed to those who have less income.

4.10 Relationship Between Marital Status and Growth of Profits

The study sought to establish the relationship between marital status and the growth in profits of the small scale enterprises. Growth in profits was taken as a measure of performance since the averaged score could not be used in the cross tabulation. The results are indicated on Table 14. From the table, the cross tabulation results indicated 61.7 percent (119) of the married women strongly agreed that profits have grown. 32.6 percent of single women strongly agreed that profits have grown while 31.3 percent and 24.4 percent of the single women were neutral and agreed that profits had grown respectively. 1.6 percent of the widowed women strongly agreed that profits have grown. None of the divorced women strongly agreed that their profits had grown.

This finding might suggest that married women report higher profits than their unmarried counterparts because of the additional financial or material assistance they get from their spouses. Having analyzed the responses of the separated, the widowed and the divorced

women who strongly agreed that their profits have grown (4.1%, 1.6% and 0% respectively), this finding might also suggest that family stability has an influence on profit growth of the women SSEs in Urban-Kenya.

Table 14: Cross Tabulation between Marital Status and Growth in Profits

Marital Status	Numbers and Percentages of Marital Status and Growth in Profits					Total
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Widowed	0 .0%	0 .0%	0 .0%	1 .7%	3 1.6%	4 1.1%
Divorced	0 .0%	0 .0%	0 .0%	1 .7%	0 .0%	1 .3%
Separated	0 .0%	0 .0%	0 .0%	6 4.4%	8 4.1%	14 4.0%
Single	0 .0%	2 40.0%	5 31.3%	33 24.4%	63 32.6%	103 29.1%
Married	5 100.0%	3 60.0%	11 68.8%	94 69.6%	119 61.7%	232 65.5%
Total	5 100.0%	5 100.0%	16 100.0%	135 100.0%	193 100.0%	354 100.0%

Source: Survey, 2012

NOTE

Figures that are above are numbers of respondents, while those below are percentages.

4.11 Relationship Between Growth in Profits and Ethnicity

The cross tabulation result in Table 15 shows the relationship between growth in profits and ethnicity. Growth in profits was used as a measure of performance of the small scale enterprises in Kenya. The results in Table 15 indicated that 59.4 percent (190) of the Bantu respondents strongly agreed that profits had increased. Furthermore, 34.4 percent of the Bantus agreed that profits have increased while only 1.25 percent (4) of Bantus strongly disagreed that their profits increased. The study revealed that only a small percentage of the

Nilotes (31) and Cushites (3) were captured. Of the Nilotes interviewed, 41.2 percent (13) indicated that they strongly agreed with the increase in profits. When analyzing the ethnicity and profits growth, Cushites (66.7%) were found to perform better in profits compared to the Bantus (59.4%) and Nilotes (41.2%).

Table 15: Cross Tabulation between Growth in Profits and Ethnicity

Growth in Profits	Ethnicity of Respondents			Total
	Bantu	Nilotes	Cushites	
Strongly Agree	190 59.4%	13 41.2%	2 66.7%	193 54.5%
Agree	110 34.4%	12 38.71.0%	1 33.3%	135 38.1%
Neutral	12 3.75%	4 12.9%	0 .0%	16 4.5%
Disagree	4 1.25%	1 3.23%	0 .0%	5 1.4%
Strongly Disagree	4 1.25%	1 3.23%	0 .0%	5 1.4%
Total	320 100.0%	31 100.0%	3 100.0%	354 100.0%

Source: Survey, 2012

NOTE

Figures that are above are numbers of respondents, while those below are percentages.

This research also observed that the Bantus were disproportionately (90.4%) numerous than the other ethnic groups. Thus it is not clear if indeed the Bantus as a group out-performed the other groups. This could form the basis of a separate study to include all the 42 ethnic groups in Kenya because this study only sampled 12 ethnic groups of which 1 group under the Bantu category (the kikuyu) was over represented (63.6%). However, the overall results indicated that Bantus performed generally well in all the indicators of performance. Appendix 6 provides more information on ethnicity and performance.

4.12 Relationship Between Growth in Profits and Educational Level

Table 16 shows cross tabulation between growth in profits and educational levels of women entrepreneurs in SSEs in Kenya. Table 16 shows that 47.9 percent (23) of the respondents below primary level of education strongly agree that profits have grown, while 55.6 percent (170) of the respondents with secondary education and above also strongly agree that their profits had grown. The study shows that 43.8 percent of the respondents with primary education and below agree that their profits have gone up while none of the respondents disagreed that the level of profits had gone up.

Table 16: Cross Tabulation between Growth in Profits and Education Level

Growth in Profits	Education level of Respondents		Total
	Primary & Below	Secondary & Above	
Strongly Agree	23 47.9%	170 55.6%	193 54.5%
Agree	21 43.8%	114 37.3%	135 38.1%
Neutral	4 8.3%	12 3.9%	16 4.5%
Disagree	0 .0%	5 1.6%	5 1.4%
Strongly Disagree	0 .0%	5 1.6%	5 1.4%
Total	48 100.0%	306 100.0%	354 100.0%

Source: Survey, 2012

The study also revealed that 37.3 percent (114) of the respondents with secondary education agree that their profits have gone up. The study found that the general level of education did not influence performance of the enterprises because all the respondents interviewed agreed that their profits had grown. It could appear that entrepreneurship is not relegated to a

particular cadre of educational background, but to all people who have the business idea and desire to bring value addition to the goods and services they deal in.

4.13 Relationship Between Growth in Profits and Age

The ages of the women owners and/or managers were cross tabulated with growth in profits of their enterprises. The results of the cross tabulation between the age of the women entrepreneurs in SSEs are shown in Table 17.

Table 17: Cross Tabulation between Growth in Profits and Age

Growth in profits	Age Range of Respondents				Total
	< 30(Youth)	30-39(Youth)	40-49(Middle)	50+(Old)	
Strongly Agree	80 63.5%	89 50.9%	21 50.0%	3 27.3%	193 54.5%
Agree	39 31.0%	71 40.6%	17 40.5%	8 72.7%	135 38.1%
Neutral	3 2.4%	9 5.1%	4 9.5%	0 .0%	16 4.5%
Disagree	3 2.4%	2 1.1%	0 .0%	0 .0%	5 1.4%
Strongly Disagree	1 .8%	4 2.3%	0 .0%	0 .0%	5 1.4%
Total	126 100.0%	175 100.0%	42 100.0%	11 100.0%	354 100.0%

Source: Survey, 2012

The age of the respondents were categorized according to the youthful age of less than age 40 and the middle age of between 40 and 49 and the old age of 50 years and above. The study indicated that the majority of the respondents who are less than 30 years of age (80 respondents), 63.5 percent strongly agreed that their profits had grown. The respondents in the age group between 30 and 39 years (89 respondents), 50.9 percent strongly agreed that their profits had gone up. Only 27.3 percent (3 respondents) of respondents more than 50

years old strongly agreed that their profits had increased. The study also found that 31 percent of the respondents less than 30 years agreed that their profits had gone up as compared to 72.7 percent of the respondents who are above 50 years old. From this result, it would appear that women entrepreneurs who are below the age of 40 years seem to perform better in profits growth as compared to their counterparts who are in the age bracket of 40 years and above.

This study also indicated earlier in Table 10 that 85% of the women in SSEs fall in the age bracket of 40 years and below. Additionally, the result shows that more than 50% of the women entrepreneurs who were between the ages 30 and 49 also strongly agreed that their profits had increased. It would therefore appear that at the age of below 40 years old the women in SSEs are perhaps more enthusiastic about their undertakings and they have the zeal of operating business in a better way than their older counterparts, thereby realizing more profits. Although more emphasis should be given to the youths to enable them start and operate profitable businesses, their older counterparts should also be supported in their businesses to enable them improve on profits since a majority of the older group also registered improved profits.

4.14 Relationship between Improvement in Sales and Marital Status

The cross tabulation result in Table 18 shows the relationship between improvement in sales and marital status. The results indicated that 54.7 percent (127) of the married respondents strongly agree that there has been an improvement in sales. The study also indicated that 35.3 percent of the married women agreed that sales had improved. In total the married women who said that their sales improved are 90% while only 2.2 percent (5) of married women strongly disagreed and disagreed respectively that sales had improved.

The study also revealed that only the vast majority of the widowed women (75 percent), single women (56.3 percent); separated (57.1 percent) strongly agreed that the sales have improved. The study also indicated that all the divorced women (100 percent) agreed that sales had improved. Although the single women registered a slightly higher percentage (100% for the widowed and the divorced and 92.8 for the separated, going by the big proportions of agreeing and strongly agreeing registered by all the classes in the marital status, it is apparent that marital status do not influence firm's sales performance.

Table 18: Cross Tabulation between Improvements in Sales and Marital Status

Sales Improved	Marital Status of Respondents					Total
	Married	Single	Separated	Divorced	Widowed	
Strongly Disagree	5 2.2%	2 1.9%	0 .0%	0 .0%	0 .0%	7 2.0%
Disagree	5 2.2%	0 .0%	0 .0%	0 .0%	0 .0%	5 1.4%
Neutral	13 5.6%	5 4.9%	1 7.1%	0 .0%	0 .0%	19 5.4%
Agree	82 35.3%	38 36.9%	5 35.7%	1 100.0%	1 25.0%	127 35.9%
Strongly Agree	127 54.7%	58 56.3%	8 57.1%	0 .0%	3 75.0%	196 55.4%
Total	232 100.0%	103 100.0%	14 100.0%	1 100.0%	4 100.0%	354 100.0%

Source: Survey, 2012

4.15 Relationship Between Improvement in Sales and Ethnicity

The cross tabulation result in Table 19 shows the relationship between improvement in sales and ethnicity. Improvement in sales was also used as a measure of performance of the small scale enterprises in Kenya. From Table 19, the results indicated that 88.43 percent (283) of the Bantus strongly agreed that sales had improved. Results also show that 3.75 percent of the

Bantus agreed that sales had increased while only 1.88 percent (6) of Bantus strongly disagreed that their sales increased. The study revealed that only a small percentage of the Nilotes, 31 (8.8%) and Cushites, 3(0.85) were captured. Of the Cushites interviewed 66.67 percent (2) strongly agreed that sales had improved while 33.3 percent (1) were neutral. The study also indicated that 83.87% of the Nilotes strongly agreed that their sales improved while only 3.23% disagreed. This study noted that the Bantus (88.43%) performed better in improvement in sales as compared to the other ethnic groups.

Table 19: Cross Tabulation between Improvement in Sales and Ethnicity

Sales Improved	Ethnicity of Respondents			Total
	Bantu	Nilotes	Cushites	
Strongly Disagree	6 1.88%	1 3.23%	0 .0%	7 2%
Disagree	4 1.25%	1 3.23%	0 .0%	5 1.41%
Neutral	15 4.7%	0 .0%	1 33.3%	16 4.52%
Agree	12 3.75%	3 9.68%	0 .0%	15 4.24%
Strongly Agree	283 88.43%	26 83.87%	2 66.7%	311 87.9%
Total	320 100.0%	31 100.0%	3 100.0%	354 100.0%

Source: Survey, 2012

NOTE

Figures that are above are numbers of respondents, while those below are percentages.

4.16 Relationship Between Improvement in Sales and Age

The study sought to establish the relationship between improvement in sales and the age of the respondents and the results are shown in Table 20. Cross tabulation results show that 59.2 percent of the respondents below 30 years strongly agreed that sales had improved. The

results also indicate that more than half of the people between the ages of 31 and 50 years also strongly agreed while 35.9 percent (109) also in this age category also agreed that sales had improved. Half of the respondents (3) who were aged 50 years and above agreed and strongly agreed that sales has improved. From this result, it appears that sales improved across all categories of age brackets, it would mean that sales of the women SSEs can improve regardless of the age of the entrepreneurs.

Table 20: Cross Tabulation between Improvement in Sales and Age

Sales Improved	Age of Respondents			Total
	1-30	31-50	51 and above	
Strongly Disagree	1 .7%	6 2.9%	0 .0%	7 2.0%
Disagree	2 1.4%	3 1.5%	0 .0%	5 1.4%
Neutral	5 3.5%	14 6.8%	0 .0%	19 5.4%
Agree	50 35.2%	74 35.9%	3 50.0%	127 35.9%
Strongly Agree	84 59.2%	109 52.9%	3 50.0%	196 55.4%
Total	142 100.0%	206 100.0%	6 100.0%	354 100.0%

Source: Survey, 2012

4.17 Relationship Between Capital Growth and Marital Status of the Respondents

The cross tabulation result in Table 21 shows the relationship between capital growth and marital status. The results indicated that 50.4 percent (117) of the married respondents strongly agreed that there has been capital growth. The study also indicated that 36.6 percent of the married women agreed that sales had improved while only 4.7 percent (11) of married women strongly disagreed that there was capital growth. The study also revealed that the

vast majority of the widowed women (75 percent) single women (54.4 percent) separated (57.1 percent) strongly agree that there is growth in capital.

The study also indicated that all the divorced women (100 percent) agreed that capital had grown. The study also noted that the married respondents were disproportionately over represented in the sample (66%). The results show that 50.4% of married women, 54.4% of single women and 57.1% of separated women strongly agreed that there was capital growth in their businesses, suggesting that in this study, most women across marital categories saw capital growth; therefore it would appear marital status does not influence capital performance of women in SSEs in Urban-Kenya.

Table 21: Cross Tabulation between Capital Growth and Marital Status

Capital growth	Marital status of Respondents					Total
	married	Single	separated	divorced	Widowed	
Strongly Disagree	11 4.7%	1 1.0%	0 .0%	0 .0%	0 .0%	12 3.4%
Disagree	6 2.6%	1 1.0%	0 .0%	0 .0%	0 .0%	7 2.0%
Neutral	13 5.6%	9 8.7%	0 .0%	0 .0%	0 .0%	22 6.2%
Agree	85 36.6%	36 35.0%	6 42.9%	1 100.0%	1 25.0%	129 36.4%
Strongly Agree	117 50.4%	56 54.4%	8 57.1%	0 .0%	3 75.0%	184 52.0%
Total	232 100.0%	103 100.0%	14 100.0%	1 100.0%	4 100.0%	354 100.0%

Source: Survey, 2012

NOTE

Figures that are above are numbers of respondents, while those below are percentages.

4.18 Relationship between Capital Growth and Age

The study sought to establish the relationship between capital growth and the age of the respondents and the results are shown in Table 22. Cross tabulation results shows that 55.6 percent of the respondents below 30 years strongly agree that there is growth in capital. The results also indicate that almost half (49.5 percent) of the people between the ages of 31 and 50 years also strongly agreed while 37.4 percent (77) also in this age category also agreed that capital had improved. Half of the respondents (3) who were aged more than 50 years and above agreed and strongly agreed that capital had grown. From this study it appears that age is not a significant factor in capital growth because all age groups of the respondents in the study experienced growth in capital. This would also mean that any woman who is already in entrepreneurship should be encouraged that whatever their ages, growth of capital can be experienced. The women in SSEs should be supported financially by the government and micro finance institutions to grow their businesses because age of women entrepreneurs does not limit capital growth of SSEs in Urban-Kenya.

Table 22: Cross Tabulation between Capital Growth and Age

Capital growth	Age of Respondents			Total
	1-30	31-50	51 and Above	
Strongly Disagree	6 4.2%	6 2.9%	0 .0%	12 3.4%
Disagree	4 2.8%	3 1.5%	0 .0%	7 2.0%
Neutral	4 2.8%	18 8.7%	0 .0%	22 6.2%
Agree	49 34.5%	77 37.4%	3 50.0%	129 36.4%
Strongly Agree	79 55.6%	102 49.5%	3 50.0%	184 52.0%
Total	142 100.0%	206 100.0%	6 100.0%	354 100.0%

Source: Survey, 2012

4.19 Relationship between Capital Growth and Ethnicity

The cross tabulation result in Table 23 shows the relationship between capital growth and ethnicity. The results indicated that 87.8 percent (281) of the Bantus strongly agreed that capital had improved. Results also indicated that 2.2 percent (7) of the Bantus agreed that capital had increased while only 3.1 percent (10) of Bantus strongly disagreed that their capital had increased. The study revealed that only a small number of the Nilotes(31) was captured and 6.5 percent (2) strongly disagreed that there is capital growth while 64.5 percent (20) strongly agreed that capital had improved. Table 23 shows that the study only captured 3 respondents from the Cushites community and 2(66.7%) of the respondents strongly agreed that there was growth in capital.

Table 23: Cross Tabulation between Capital Growth and Ethnicity

Capital Growth	Ethnicity of the Respondents			Total
	Bantu	Nilotes	Cushites	
Strongly Agree	281	20	2	303
	87.8 %	64.5%	66.7%	85.59%
Agree	7	3	0	10
	2.2%	9.68%	0%	2.82%
Neutral	16	0	1	17
	5%	0%	33.3%	4.8%
Disagree	6	6	0	12
	1.9%	18.8%	.0%	3.39%
Strongly Disagree	10	2	0	12
	3.1%	6.5%	.0%	3.39%
Total	320	31	3	354
	100.0%	100.0%	100.0%	100.0%

Source: Survey, 2012

Table 23 shows that the study only captured 3 respondents from the Cushites community and 2(66.7%) of the respondents strongly agreed that there was growth in capital. This would indicate that Bantu appear to be performing well in capital growth, followed by the Cushites

community and the Nilotes lagged behind. However, it should be noted that the representation of the three ethnic groups in the study was not proportional, thereby making it difficult to draw a clear conclusion as to which ethnic group performs better than the other. Further research should incorporate all the ethnic groups in Urban-Kenya.

The Cushites seemed to perform poorly (33%) in increase in number of employees and capital growth compared to the other ethnic groups. Bantu recorded 71.6 percent and Nilotes, 51.6% in increase in number of employees. The performance of the Nilotes seemed to be almost the same (83.9%) in sales and Assets, while the Bantus also almost perform the same in capital (87.8%) and assets (89.4%) growth. A further analyzes of the performance indicators against ethnicity to establish the role of ethnicity on performance was conducted. The results showed that all factors were significant except assets (0.314).

Ethnicity therefore, it would appear influences capital growth, number of employees and profits. Ethnicity influences performance by influencing all indicators of performance except assets and sales explained by the p- values of 0.094, 0.016, 0.028 and 0.025 for sales growth and ethnicity, capital growth and ethnicity, increase in number of employees and ethnicity and growth in profits and ethnicity respectively. This research also observed that the Bantus were disproportionately (90%) numerous than the other ethnic groups. Thus it is not clear if indeed the Bantus as a group out-performed the other groups. This could form the basis of a separate study to include all the 42 ethnic groups in Kenya because this study only sampled 12 ethnic groups of which 1 group under the Bantu category(the kikuyu) was over represented(63.6%). However, the overall results indicated that Bantus performed generally

well in all the indicators of performance. Appendix 6 provides more information on ethnicity and performance.

4.20 Analyses of Results by Industry Sectors

A further analyses of results were done per industry sectors based on the four industries that were selected as sample for the study. Sector analyses was therefore done to establish the characteristics of women entrepreneurs in each sector and also to assess the demographic composition of the women entrepreneurs in each SSE sector in Urban-Kenya. The results are indicated in the Tables that follow.

Table 24 Education Level of the Respondents by Sector

Education Level	Food/Agriculture		Personal and Professional Services		Education	Retail		
	Frequency	Percent	Frequency	Percent	Frequency	percent	Frequency	Percent
Below Secondary	5	25	1	3	0	0	42	15
Secondary and above	20	75	32	97	9	100	245	85
Total	25	100	33	100	9	100	287	100

Source: Researcher, 2012

Of the respondents in the food industry, 25% had below secondary level education while 75% had secondary and above. In the personal and professional services, 3% had below secondary level while 97% had secondary and above level of education. In the education sector 100 % (all) had secondary and above level of education. In the retail sector, 15% had below secondary level while 85% had secondary and above.

Table 25 Marital Status of the Respondents by Sector.

Marital Status	Food		Personal & Professional Services		Education		Retail	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	percent
Married								
Single	15	60	21	64	8	89	188	66
Separated	8	32	11	33	1	11	83	29
Widowed	1	4	1	3	0	0	12	4
	0	0	0	0	0	0	4	1.4
Divorced	0	0	0	0	0	0	1	0.35
Total	24	100	33	100	9	100	288	100

Source: Researcher, 2012

In the food industry, 60% of the respondents were married, 32% were single and 4% were separated. There was no widow or divorced category of respondents in the food industry. 64% of the respondents operating personal and professional services were married, 33% were single and 3% were separated. None of the respondents fell within the widowed or divorced category. In the education sector, 89% of the respondents were married, 11% were single and none of the respondents fell within the separated, widowed and divorced category. In the retail sector, 66% of the respondents were married, 29% were widowed and 4 % were separated. Hardly any appeared in the categories of widowed and divorced in this sector.

Table 26 Age of the Respondents by Sector.

Age	Food		Personal & professional services		Education		Retail	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	percent
< 30	6	24	18	55	2	22	229	80
30-39	10	40	9	27	3	33	58	20
40-49	7	28	6	18	0	0	0	0
50+	2	8	0	0	4	45	0	0
Total	25	100	33	100	9	100	287	100

Source: Researcher, 2012

In the food sector, 24% of the respondents were below 30 years old, 40% were between the ages of 30 and 39, 28% were between the ages of 40 and 49 and only 8% were above 50 years old. 64% of the respondents in the food industry were below 40 years of age. In the personal and professional services, 55% were below 30 years of age, 27% were between the ages of 30 and 39 and 18% were between 40 and 49 years of age. None was above 50 years of age. In the education sector, 22% were below the age of 30 years and 33% were between 30 and 39 years of age, while 45% fell within 50 and above years of age. The education sector attracted older entrepreneurs as compared to the other sectors. In the retail sector, a majority, 80%, of the respondents were below age 30 and 20% were between the ages of 30 and 39. None appeared in the age categories of 40 and above.

Table 27 Ethnicity of the Respondents by Sector

Ethnicity	Food		Personal & professional services		Education		Retail	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	percent
Bantu	18	72	27	81.8	8	89	294	92
Nilotes	7	28	6	18.1	1	11	17	6
Cushites	0	0	0	0	0	0	3	2
Total	25	100	33	100	9	100	287	100

Source: Researcher, 2012

In the food industry, Bantus comprised 72% of the total number of the entrepreneurs in the food industry while Nilotes were 28% and there were no Cushites in this industry. In the personal and professional service industry, Bantus were 81.8%, Nilotes were only 18.1% and there was no Cushites represented in the sample. In the Education sector, Bantus were 89%, Nilotes were 11% and no Cushites was represented and in the Retail sector, Bantus were 92% of the total sample size, Nilotes were 6% and the Cushites were only 2% of the total study sample size. However, this study noted that all the Cushites, 3(100%) were engaged in the retail business and more than 50 % (17) of the Nilotes were also engaged in the retail business. Retail business is therefore popular with all ethnic groups, more emphasis and

support should be given to encourage more start up in this sector and also skills should be imparted to enable all the ethnic groups to operate successful businesses in this sector. However, the entire ethnic groups should also be encouraged to engage their innovative skills in other industry sectors particularly the Cushites who are not keen in establishing businesses in other sectors apart from the retail sector.

Table 28 Growth in Sales by Sector

Sectors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Food/Agriculture	0	0	1	4	1	4	7	28	16	64	25	100
Personal & Professional services	0	0	1	3	4	12.1	3	9.1	25	76	33	100
Education	1	11.1	0	0	0	0	4	44.4	4	44.4	9	100
Retail	6	1.9	3	0.96	14	4.5	112	35.7	152	48.4	314	100
Total	7		5		19		126		197			

Source: Researcher, 2012

In the food industry, 64 % strongly agreed that their sales had improved, 76 % of the respondents in the personal and professional services, 44.4 % in the education sector recorded growth in enrolment and 48.4% in the retail sector also agreed that their sales had increased. From the result it is clearly evident that a majority (76%) of the entrepreneurs that registered increased sales were in the personal and professional sector, while education sector recorded the lowest (44.4 %) performance in sales growth.

Table 29 Growth in Assets by Sector.

Sectors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Food/Agriculture	0	0	1	24	1	4	8	20	16	64	25	100
Personal & Professional Services	2	6.1	1	3	3	9.1	4	12.1	23	70	33	100
Education	1	11.1	0	0	0	0	4	44.4	3	33	9	100
Retail	10	3.18	3	0.96	15	4.8	117	37.3	138	44	314	100
Total	12		5		19		133		180			

Source: Researcher, 2012

In the food industry, 64% strongly agreed that their assets had improved, 70 % of the respondents in the personal and professional services, 33% in the education sector and 44% in the retail sector also agreed that their assets had increased. From the result it is clearly evident that a majority (70%) of the entrepreneurs that registered increased assets were in the personal and professional sector, while education sector recorded the lowest (33%) performance in asset growth.

Table 30 Growth in Capital for by Sector.

Sectors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	f	%	f	%	f	%	f	%	f	%	f	%
Food/Agriculture	0	0	0	0	1	4	10	40	14	56	25	100
Personal & Professional services	3	9.1	1	3	3	9.1	3	9.1	23	70	33	100
Education	0	0	2	22.2	1	11.1	4	44.4	3	33	9	100
Retail	8	2.5	5	1.6	18	5.7	111	35.4	114	36	314	100
Total	11		8		23		128		154			

Source: Researcher, 2012

In the food industry, 56% strongly agreed that their capital had improved, 70% of the respondents in the personal and professional services, 33% in the education sector and 36% in the retail sector also agreed that their capital had increased. From the result it is clearly evident that a majority (70%) of the entrepreneurs that registered increased capital were in the personal and professional sector, while education sector recorded the lowest (33%) performance in capital growth.

Table 31 Growth in Profit by Sector.

Sectors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Food/Agriculture	0	0	0	0	1	4	7	28	17	68	25	100
Personal. & Professional services	0	0	1	3%	3	9.1	3	9.1	27	82	33	100
Education	1	11.1%	0	0	0	0	5	55.5	3	33	9	100
Retail	4	1.27%	4	1.27	12	3.8	119	37.9	147	47	314	100
Total	5 1.41%		5 1.41%		16 4.52%		134 37.85%		194 54.8%		354 100	

Source: Researcher, 2012

In the food industry, 68% strongly agreed that their profits had improved, 82 % of the respondents in the personal and professional services, 33% in the education sector and 47% in the retail sector also agreed that their profits had increased. From the result it is clearly evident that a majority (82%) of the entrepreneurs that registered increased profits were in the personal and professional sector, while education sector recorded the lowest (33%) performance in profit growth.

Table 32 Growth in Number of Employees by Sector.

Sectors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Food/Agriculture	1	4	6	24	3	12	4	16	11	44	25	100
Personal & Professional services	5	15.2	3	9.1	2	6.1	3	9.1	20	61	33	100
Education	0	0	2	22.2	1	11.1	4	44.4	2	11	9	100
Retail	32	10.2	34	10.8	19	6.1	96	30.6	105	33	314	100
Total	38		45		25		107		139			

Source: Researcher, 2012

In the food industry, 44% strongly agreed that their employees number had improved, 61% of the respondents in the personal and professional services, 11% in the education sector and 33% in the retail sector also agreed that their employees had increased. From the result it is clearly evident that a majority (61%) of the entrepreneurs that registered increase in employees' number were in the personal and professional sector, while education sector recorded the lowest (11%) performance in employee growth. From the analysis of results by sector, the personal and professional services seemed to be thriving as compared to the other sectors. This sector recorded performance of 70 and above in all indicators of performance and 60% in increase in number of employees. This trend can be attributed to establishing good relationship with clients granting the entrepreneurs customer loyalty and repeat service seeking.

Table 33 Education level and support frame work.

Education	Received Support from Others (Frequency)	Percentages
Below secondary education	7	14.5%
Secondary education	40	27%
College education	49	35.7%
University education	10	50%
Post University education	0	0%
Total	106	30%

Source: Researcher, 2012

From the results, only 30%(106) of the respondents indicated that they had support from other networks in operating their businesses, 14.5% of respondents with education below secondary level strongly agreed to requiring support from others to be able to perform well in business, 27% of those having secondary education, 35.7% of those with college education and 50% of those with university education also strongly agreed to the same. No respondent with post university education strongly agreed to have support framework in business.

Table 34 Education level and Financial Management.

Education Level	Financial Management Is Essential (Frequency)	Percentages
Below secondary education	26	54%
Secondary education	73	49.3%
College education	95	69.3%
University education	13	65%
Post University education	1	100%
Total	208	58.7%

Source: Researcher, 2012

Results indicate that 54% of respondents with below secondary level education strongly agreed that financial management is essential for business success, 49.3% of those having secondary education, 69.3% of those with college education and 65% of those with university education also strongly agreed to the same, 100%(1) of respondents with post university education agreed that financial management is essential for business success.

Table 35 Education Level and Access to Credit

Education	Accessed Credit (Frequency)	Percentages
Below secondary education	6	12.5%
Secondary education	15	10%
College education	19	13.8%
University education	3	15%
Post University education	0	0%
Total	43	12.1%

Source: Researcher, 2012

From the results, 12.5% of respondents with education below secondary level strongly agreed to have accessed credit for their businesses, 10% of those having secondary education, 13.8% of those with college education and 15% of those with university education also strongly agreed to the same. No respondent with post university education had accessed credit facilities. The study found that those with university education had better access to credit than their counterparts with other levels of education.

Table 36 Education level and Business Plan

Education	Have a Business Plan (Frequency)	Percentages
Below secondary education	23	48%
Secondary education	52	35%
College education	73	53.2%
University education	12	60%
Post University education	1	100%
Total	160	45.1%

Source: Researcher, 2012

From the results 48% of respondents with education below secondary level strongly agreed to have had a business plan, 35% of those having secondary education, 53.2% of those with college education and 60% of those with university education also strongly agreed to the same, while 100% of the respondent with post university education strongly agreed to have had a business plan. The study noted that only 45.1 %(160) of the women entrepreneurs had a business plan. The study further indicated that those entrepreneurs with university level of education and above performed better by recording 60% and 100% for university education and post university education respectively than other categories of levels of education in business planning.

Table 37 Education Level and Entrepreneurship Skills

Education	Entrepreneurship skills is Useful (Frequency)	Percentages
Below secondary education	23	48%
Secondary education	90	60.8%
College education	25	18.2%
University education	12	60%
Post University education	0	0%
Total	150	42.3%

Source: Researcher, 2012

Results show that 48% of respondents with education below secondary level strongly agreed that entrepreneurship skills were required to be able to perform well in business. 60.8% of those having secondary education, 18.2% of those with college education and 60% of those with university education also strongly agreed to the same. No respondent with post university education indicated that entrepreneurship skills were essential for business success.

Table 38 Education Level and Technology and Innovation

Education	Using Technology and Innovations (Frequency)	Percentages
Below secondary Education	15	31.25%
Secondary Education	71	48%
College education	19	13.8%
University Education	8	40%
Post University Education	1	100%
Total	114	32.2%

Source: Researcher, 2012

From the results in Table 38, all categories of levels of education had applied Technology and Innovations in the business operations. Results also indicate that 31.25% of respondents with education below secondary level strongly agreed to have applied Technology and Innovations in the business operations, 48% of those having secondary education, 13.8% of those with college education and 40% of those with university education also strongly agreed to the same. 100% of the respondents with post university education strongly agreed to have applied Technology and Innovations in the business operations

Table 39 Analysis of Sectors and Support Frame Work.

Sector	Strongly agreeing to support (Frequency)	Percentage
Food & Agriculture	7	28%
Personal & professional	15	45.4%
Education	2	22.2%
Retail	82	28.5%

Total	106	30%
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Source: Researcher, 2012

The results indicated that only 30 %(106) of the respondents had received support from other networks in operating their businesses. From the results, 28% of the respondents in the food and agriculture sector strongly agreed to receiving support of others in order to succeed in business, 45.5% of the respondents in the personal and professional services, 22.2% of those in education sector and 28.5% of respondents in retail also strongly agreed to receiving support for business success.

Table 40 Analysis of Sectors and Financial Management

Sector	Financial Management is Essential for Business Success	Percentage
Food & Agriculture	12	48%
Personal & professional	26	78.7%
Education	7	77.7%
Retail	162	56.4%
Total	207	58.4%

Source: Researcher, 2012

From the results, 48% of the respondents in the food and agriculture sector strongly agreed that financial management is essential for business success, 78.7% of the respondents in the personal and professional services, 77.7% of those in education and 56% of respondents in retail also strongly agreed that financial management is essential for business success.

Table 41 Analysis of Sectors and Access to Credit.

Sector	Accessed Credit	Percentage
Food & Agriculture	2	8%
Personal & professional	5	15%
Education	1	11%
Retail	35	12.1%

Total	43	12.1%
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Source: Researcher, 2012

From the results, 8% of the respondents in the food and agriculture sector strongly agreed to having accessed credit to operate their businesses, 15% of the respondents in the personal and professional services, 11% of those in education and 12.1% of respondents in retail also strongly agreed to accessing credit facilities. The overall results indicated that the entrepreneurs in Urban-Kenya did not perform very well in access to credit and that the proportion on those who had accessed credit was almost the same; approximately standing at about 10% in all the sectors. There should be more emphasis and mechanisms of ensuring that all sectors access credit facilities to enable the women entrepreneurs in Urban-Kenya improve business performance.

Table 42 Analysis of Sectors and Business Plan.

Sector	Business plan is essential (Frequency)	Percentage
Food & Agriculture	8	32%
Personal & professional	20	60.6%
Education	3	33.3%
Retail	129	50%
Total	160	45.1%

Source: Researcher, 2012

From the results, 32% of the respondents in the food and agriculture sector strongly agreed that a business plan is essential to business success, 60.6% of the respondents in the personal and professional services, 33.3% of those in education and 50% of respondents in retail also strongly agreed that a business plan is essential to business success.

Table 43 Analysis of each Sector against Entrepreneurship Skills

Sector	Entrepreneurship skills Useful in Business (Frequency)	Percentage
Food & Agriculture	15	60%

Personal & professional	15	45.4%
Education	2	22.2%
Retail	118	41.1%
Total	150	42.3%

Source: Researcher, 2012

From Table 43, 60% of the respondents in the food and agriculture sector strongly agreed that entrepreneurship skills are very useful for business success, 45% of the respondents in the personal and professional services, 22.2%% of those in education and 41.1% of respondents in retail also strongly agreed that entrepreneurship skills are very useful for business success.

Table 44 Analysis of Sectors by Technology and Innovations.

Sector	Used Technology and Innovations in Business	Percentage
Food & Agriculture	14	56%
Personal & professional	8	24.24%
Education	3	33.3%
Retail	89	31%
Total	114	32.2%

Source: Researcher, 2012

Table 44 indicates that 14% of the respondents in the food and agriculture sector strongly agreed to requiring support of others in order to succeed in business, 24.24% of the respondents in the personal and professional services, 33.3%% of those in education and 31% of respondents in retail also strongly agreed to requiring support for business success. The food sector out-performed all the categories of businesses in being innovative. This performance could be explained by the fact that the entrepreneurs allowed the employees to suggest the type of goods the customers liked and also by ensuring that the entrepreneurs were able to use their cell-phones to keep customer contacts enhancing customer loyalty.

Table 45 Analysis of Sectors and use of Balanced Scorecard

Sector	Use of a Balanced Scorecard in Business Operations	Percentage
Food & Agriculture	16	64%
Personal & professional	13	39.39%
Education	3	33.3%
Retail	148	51.5%
Total	180	50.8%

Source: Researcher, 2012

Results indicate that 64% of the respondents in the food and agriculture sector strongly agreed to using the balanced scorecard in their businesses, 39.39% of the respondents in the personal and professional services, 33.3%% of those in education and 51% of respondents in retail also strongly agreed to applying balanced scorecard in their businesses. The food sector out-Performed the other sectors in allowing the drivers of the scored card to be used in business operations; the customers were involved in suggesting their preferences to the entrepreneurs, the employees were also involved and the businesses were able to incorporate the holistic approach of their financial operations to the other drivers.

Table 46 Analysis of Sectors and Culture

Sector	Cultural Supports Women Business Operation	Percentages
Food & Agriculture	5	20%
Personal & professional	2	6%
Education	3	33.3%
Retail	43	15%
Total	53	18.4%

Source: Researcher, 2012

From the results in Table 46, 20% of the respondents in the food and agriculture sector strongly agreed that their culture supports women operating businesses, 6% of the respondents in the personal and professional services, 33.3%% of those in education and 15% of respondents in retail also strongly agreed to cultural support for business operations. The results further show that only 18.4 %(53) indicated that their culture supported women in operating business enterprises.

4.21 Testing Hypothesis

All the Hypotheses were tested and the levels at which the hypotheses were rejected were at 10% levels of significance.

4.22 Hypothesis 1: Family characteristics

H₁: There is a significant relationship between women owners and/ or managers' family characteristics and performance of their business enterprises.

Regarding the family characteristics, the specific items that the study singled out as contributing to the performance of SSEs in Urban-Kenya included the following: family responsibility interfere with business operations, business suffers when the owner and/or manager of SSE has a small baby, business functions as usual even when the absence of the owner and or manager of SSE and the business cannot succeed because of problems at home. After doing a factor analysis on the family characteristics that were purported to influence the performance of small scale enterprises in Kenya, the factor analysis revealed that only four attributes seemed to affect the performance of these enterprises. These were: family responsibilities interfere with business operations; business suffers when women in SSEs have small babies to take care of; and business functions as usual in the entrepreneur's absence and business cannot succeed because of problems at home.

A score from these four factors was calculated and regressed against the performance index. From the regression results family characteristic had a P-value of 0.11 at 90 percent confidence interval, implying that the coefficient of the family characteristics was statistically significant in explaining the variations in the dependent variable. Family characteristics against performance were found to be significant at $P \leq 0.10$. We therefore do not reject the

hypothesis. This research concludes that Family characteristics have a significant influence on performance.

This result indicated that family characteristics of women SSEs in Urban-Kenya has a negative influence on performance. The women owners and/or managers interviewed indicated that their family responsibilities interfered with their business operations. It was also observed in this study that there was no differentiation between the business finances and the family finances. Lack of demarcation between the family roles and responsibilities and business roles and responsibilities contributes to poor performance of the women SSEs in Urban-Kenya.

Table 47: Regression Model of Family Characteristics against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	19.579	1.033		18.956	.000
	Family Characteristics	-0.24538	0.109756	.085	-2.235686	0.0255

Dependent Variable: Performance Score

Source: Researcher, 2012

4.23 Testing hypothesis 2

H₂. There is some degree of correlation between economic characteristics and performance of women owned and managed enterprises.

The results of correlation are shown in Appendix 4. The Pearson correlation used in the test showed that there is a positive correlation between the variables economic factors and the performance of SSEs in Kenya. Economic characteristic had a P-value of 0.00 at 99 percent confidence interval, implying that the coefficient of the economic characteristics was statistically significant in explaining the variations in the dependent variable. Economic characteristics against performance were found to be significant at $P \leq 0.01$. The correlation results were also consistent with the multiple regression results that indicate a positive (0.339) and significant relationship at p-values of 0.000. We therefore do not reject the hypothesis. We conclude from the results that economic characteristics have a high significant influence on performance of the women SSEs in Urban-Kenya and thus favorable economic factors such as access to credit and proper financial management are prerequisites for growth of women SSEs in Urban-Kenya.

Table 48 Correlation of Economic Factors against Performance

Model		Economic Factors	Performance Score
Economic Factors	Pearson Correlation	1	.349
	Sig. (2-tailed)		.000
Performance Score	Pearson Correlation	.349	1
	Sig. (2-tailed)	.000	

Source: Researcher, 2012

4.24 Testing Hypothesis 3

H₃: Women entrepreneurs' social-cultural characteristics have a strong influence on their Business enterprises' performance.

After doing a factor analysis on the entrepreneurship skills that were purported to influence the performance of small scale enterprises in Kenya, the factor analysis revealed that only four attributes seemed to affect the performance of these enterprises. A score from these four factors was calculated and regressed against the performance index. From the multiple regression results socio cultural characteristics had a P-value of 0.089 at 90% percent confidence interval implying that the coefficient of the entrepreneurship skills was statistically significant in explaining the variations in the dependent variable.

The results also indicate that the variables are moving in different directions meaning that there exists a negative relationship. We do not reject the hypothesis. This research concluded that socio-cultural characteristics of women owners and or managers in Urban-Kenya influence performance of their enterprises negatively. This could explain the challenges facing women SSEs in Urban-Kenya, specifically on issues of culture that impedes entrepreneurial growth. One notable cultural constraint identified in this study was lack of title deeds by women in SSEs in Urban-Kenya.

More than 80% of the women in SSEs rent premises from which they operate their businesses and only 17% own title deeds. Main stream banking institutions and even micro finance institutions require collateral attached on the loan to act as a fall-back position in the cases of default. The presence of collateral is therefore a very important qualification for accessing credit. The Kenyan culture has not yet embraced the practice of allocating the girl child land although the current constitution has provisions that allows the girl child to inherit the parents land.

The results contradict the study by Van de Ven (1993) which emphasized that the process of entrepreneurship is not limited to the profit sector; numerous entrepreneurial actors in the public and not-for-profit sectors play crucial roles. It motivates one to examine the different roles played by these actors, such as culture and social factors of the women SSEs and how their joint contributions interact to impede or develop and commercialize a new technology.

4.25 Testing hypothesis 4

H₄: There is a significant relationship between the support frameworks and performance of women owned and managed enterprises.

To get the relationship between the support frameworks and the performance of women owned and/or managed enterprises, the scores were calculated from the reduced model in the factor analysis. A simple regression result indicated that support framework had a P-value of 0.000. The results also indicate that there is a positive relationship between the two variables. An increase in the support frame work will increase the performance of the SSEs by 0.19 units. Simple regression suppresses the error term and therefore a further test was used based on the multiple regression analysis and the following results were observed.

Table 49 Regression Results of Support Framework against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	17.065	1.062		16.074	.000
Support Framework	.192	.048	.207	3.963	.000

Dependent Variable: Performance Index
Source: Researcher, 2012

The multiple regression results indicate that support framework had a p-value of 0.1902 and the variables moved in the same direction, indicating a positive but insignificant relationship between support framework and performance. We accept the null hypothesis that there is no significant relationship between support framework and performance of SSEs in Urban-Kenya. The regression analysis results show that even though support framework influences the performance of SSEs in Urban-Kenya the influence is not significant. This could be partially explained by lack of support from government bodies to the women SSEs revealed by this research.

4.26 Testing hypothesis 5

H₅: There is a correlation between entrepreneurship scorecard and performance of women owned and/or managed enterprises.

Entrepreneurship Scorecard components comprised of entrepreneurship skills, Technology and innovation, Business planning and Balanced Scorecard.

Table 50 Correlation Analysis of Entrepreneurship Scorecard and Performance

Model		Entrepreneurship Scorecard	Performance Score
Entrepreneurship Scorecard	Pearson Correlation Sig. (2-tailed)	1	0.34 .000
Performance Index	Pearson Correlation Sig. (2-tailed)	0.34 .000	1

Source: Researcher, 2012

An index was formulated for entrepreneurship scorecard by combining entrepreneurship skills, business planning technology and innovations and business scorecard. The combined score (entrepreneurship scorecard) was correlated. The correlation matrix indicate that the

performance of SSEs in Urban-Kenya and entrepreneurship scorecard of women have a positive correlation at 99 percent confidence as shown by a correlation coefficient of 0.34 and a P-value 0.00. This implies that there is a positive relationship between the two variables which leads to the acceptance of the hypothesis. These results show that entrepreneurship scorecard influence performance of women SSEs in Urban- Kenya positively. The use of the mix of the components of entrepreneurship Scorecard enabled women in SSEs in Kenya to record growth in their business enterprises. Emphasis ought to be given on the application of all the four components of entrepreneurship scorecard to enable women SSEs to succeed. Each component should not be applied separately but as a mix to enable the businesses to realize a holistic benefit of all the four components together.

4.27 Correlation analysis

Appendix 4 shows the correlation matrix between various factors that affect the performance of SSEs in Kenya. Negative correlation indicates that the variables move in different direction, therefore one variable causing a decrease in the other, while a positive correlation means that the variables that have a relationship move in the same direction, therefore one variable causes an increase in the other. From the results there is no relationship between performance and the family characteristics. Although socio cultural characteristics and performance move in different directions as shown by a negative sign, there is no statistical relationship as shown by a P-value of 0.304. There is a positive relationship between support framework and the performance score as indicated by a P-value of 0.000. There is also a statistical significance relationship between balance scorecard and business planning to performance score respectively. However, there is no relationship between financial

management, access to credit technology and innovations and entrepreneurship skills with performance score.

The correlation matrix shown on Appendix 4 indicates that entrepreneurship skills are highly and positively correlated with financial management at 5 percent significance level as indicated by a correlation coefficient of (0.52). Balanced scorecard is also positively correlated to the performance indicator score at 5 percent significant level (0.33) and business planning as shown by a coefficient of (0.28). Technology is positively correlated to performance of SSEs at 5 percent significance level (0.737). The table also indicates a negative correlation between entrepreneurship skills and family characteristics (-0.13). The table also demonstrates a positive relationship between business planning and the support framework. Although socio cultural characteristics and performance move in different directions as shown by a negative sign, there is no statistical relationship as shown by a P-value of 0.304. There is a positive relationship between support framework and the performance score as indicated by a P-value of 0.000.

There is also a statistical significant relationship between balance scorecard and business planning to performance score respectively. However there is no relationship between financial management, access to credit technology and innovations and entrepreneurship skills with performance score. The correlation matrix in Appendix 4 indicates that entrepreneurship skills are positively correlated with financial management at 5 percent significance level as indicated by a correlation coefficient of (0.52).

According to Appendix 4 balanced scorecard is also positively correlated to the performance indicator score at 5 percent significant level (0.33) and business planning as shown by a coefficient of 0.28. Technology is positively correlated to performance of SSEs at 5 percent significance level (0.737). Appendix 4 also indicates a negative correlation between entrepreneurship skills and family characteristics (-0.13). This Appendix also demonstrates a positive relationship between business planning and the support framework. Further analysis of the entrepreneurship scorecard was done by disintegrating the four components separately so as to investigate any relationship within the variables and the performance score. The results indicated that business planning and balance scorecard was both positively correlated to the performance of SSEs in Kenya. The results also showed that business planning was correlated to both the balance scorecard and entrepreneurship skills as shown by a P value of 0.00. There is also a positive relationship between technology and innovations and balance scorecard and also entrepreneurship skills. This means that innovation and embracing of technology require the application of balanced scorecard which is a management tool and also require the application of entrepreneurship skills. This result would also mean that technology and innovation can only kick off when the right entrepreneurship skills and balanced scorecard have been applied to an SSE.

4.28 Analysis of variance (ANOVA)

The analysis of variance was done and the results are indicated in Table 51.

Table 51 Analysis of Variance (ANOVA) Results of all the Independent Variables against Performance

Model	Sum of Squares	Degrees of Freedom(DF)	Mean Square	F	Significance
Regression	26.3243	9	19.95657	1.9976	0.00013

Residual	2.6413	344	6.321698		
Total	41.19044	353			

Source: Researcher, 2012

From the table, F value was 1.9976 with a P-value of 0.0013 indicates that the overall regression model is significant at 99% confidence interval hence it has some explanatory value. This result indicates that there is a significant relationship between the predictor variables access to credit, financial management, use of business plan, family characteristics; social cultural issues balance scorecard, support framework and the performance of SSEs in Kenya. Clearly, therefore, the regression model used in this study was fit to explain the variation of the dependent variable brought about by the independent variables.

4.29 Multiple Regression analysis

The study wanted to establish the relationship between independent variables affecting the performance of women owned and/or managed enterprises in Kenya. Analyses were done on the entrepreneurship scorecard components against performance index and the results are reported in Appendix 9 to Appendix 13b. Simple regression results in Appendix 9 indicate that the coefficient of business planning is statistically significant in predicting performance of SSEs in Kenya as shown by a P-value of 0.000. However, with a very low value of adjusted R squared (0.07) and a big coefficient of the constant. Business planning on its own can be used to improve firm performance.

Appendix 10 shows that technology and innovation alone is not significant to performance by the p-value of 0.195. It would appear that the women in SSEs have not fully embraced technology and innovation in operating their business enterprises. The little technology that they use may not independently influence performance unless the other entrepreneurship

scorecard mix is applied in the operations of the women SSEs. This therefore requires a lot of sensitization on the women to apply new innovations and information technology in their enterprises and also combine such technologies and innovations with the other components of the entrepreneurship scorecard and other enterprise characteristics such as economic factors. Although, the women owners and/or managers of SSEs interviewed appeared not to have fully embraced technology and innovation in their performance more than 80% did agree that they needed technology and innovation to improve their firm performance. A further multiple regression in Appendix 17 of all the nine independent variables was conducted against performance and it did show that the little technology and innovations that the women owners and/or managers used together with other characteristics was able to spur firm performance.

From Appendix 10 the result shows that an entrepreneurship skill on its own is insignificant in explaining the changes in performance using p-value of 0.241 and a high constant's coefficient of 20.469 specified shows that there are other factors apart from entrepreneurship skills that may influence performance. This result indicated that there is need to combine the other mix of the entrepreneurship scorecard to entrepreneurship skills for it to spur growth of women SSEs in Kenya. The entrepreneurship skills on their own may not improve firm performance because the women in SSEs have rudimentary skills in business operations. Appendix 12 shows that balanced scorecard on its own is statistically significant to performance using p-values of 0.00.

The results also indicated that the coefficient of balanced scorecard is positively and statistically significant in determining performance of SSEs in Kenya. Balanced scorecard may prove to be a solution to firm performance even when used independently. However, it is required by other factors to act as a driver of performance in other entrepreneurship scorecard mix. When Balanced Scorecard was used the entrepreneurship scorecard mix was able to explain 73% of the variations in performance.

The study further came up with an entrepreneurship scorecard comprising of entrepreneurship skills, balanced scorecard, technology and innovations and business planning. The regression results of entrepreneurship scorecard and performance (Appendix 13 and 13b) revealed out that there is statistical significance between the entrepreneurship scorecard and performance. When balanced scorecard is included to the regression analysis (see Appendix 12) all the factors of the entrepreneurship scorecard are found to be significant using levels of significance at 1%, 5% and 10% except technology and innovation. However, together all the four factors of the entrepreneurship scorecard proved to be significant using the constant's p-value of 0.00. Balanced scorecard together with the other components of the entrepreneurship scorecard was able to explain 16% of the changes in performance.

A further analysis was carried out and removed the balanced scorecard from the entrepreneurship scorecard and a multivariate analysis of the new entrepreneurship scorecard, balanced scorecard and the other independent variables was carried out. The new entrepreneurship scorecard (less balanced scorecard) does not spur change on the performance. It is noted from the results that the proportion of change explained by the four

factors together is quite low (16% as compared to 73% when balanced scorecard is totally removed from the regression analysis of the other entrepreneurship scorecard). This research found that Balanced scorecard is two fold; it serves as a management tool and also as an entrepreneurship competency as shown by the results. Balanced Scorecard is therefore relevant both in the management of the women SSEs and in enhancing capacity for entrepreneurship competencies that are necessary in the entrepreneurship scorecard.

4.30 Multiple Regression Results of all the Nine Variables Together

The Regression Equation for the nine variables when access to credit and financial management are combined to form economic characteristics is:

$$Y = 2.147546 - 0.24538X_1 + 0.339X_2 - 0.09067X_3 + 0.659017X_4 + 0.07903X_5 - 0.28341X_6 + 0.22237X_7 + 0.28264X_8 + \varepsilon.$$

A multivariate regression analysis was done using the regression model prescribed in chapter three. Table 52 and Table appendix 17 show the regression results for all the variables in the multiple regression models. From Table 52, the F-value was 1.9976 with a probability of 0.0013 at 5% significance level implies that all the independent variables are jointly significant in determining the dependent variable. The constant is also positively related to SSEs implying that the impact of these factors which are not in the model will impact on SSEs performance positively. The regression results were as discussed in the hypotheses testing, summary and conclusions of this study. The contribution of each independent variable to the performance (dependent variable) of SSEs was discussed with regard to sign, statistical significance and possible policy implication. See also Appendix 17. The results presented include the variable coefficients, standard error, and t-ratio, coefficient of determination (R^2), Durbin-Watson test and F-statistic.

Table 52 Regression Results of the Independent Variables against Performance

Variables	Coefficient	Std Error	t-Statistic	P-value
Family Characteristics	-0.24538	0.109756	-2.235686	0.0255**
Economic Indicator	0.339	0.047	6.000591	0.0000*
Support framework	0.659017	0.495595	1.329749	0.1902
Balance scorecard	-0.28341	0.59774	-0.47413	0.6376
Technology & Innovation	0.22237	0.108046	2.05808	0.0453**
Entrepreneurship Skills	0.07903	0.023943	3.30092	0.0019 **
Social cultural	-0.09067	0.473869	-0.19135	0.0891***
Business plan	0.28264	0.466675	0.60564	0.5477
C	2.147546	1.029564	2.085879	0.0371
R-squared	0.710819			
Adjusted R-squared	0.617868			
F-statistic	1.997644			
Prob(F-statistic)	0.001309			

* ** *** 10 %, 5 % and 1 % levels of significance respectively.

Source: Researcher, 2012

The regression analysis was tested at 90 per cent confidence interval. The regression had a correlation coefficient (R^2) of 0.71 and an adjusted R^2 of 0.62. This means that, family characteristics, social cultural characteristics, support framework, entrepreneurship, balanced scorecard, access to credit, technology & innovations, Financial Management and business planning explain 62 percent of the variations in the performance of small scale enterprises owned or run by women in Kenya. Financial management and access to credit were combined to generate the economic characteristics/indicators and a regression model was prescribed that was used to generate a multiple regression analysis.

The key research findings from Table 52 indicate that Family characteristics, Economic characteristics, Socio-cultural characteristics, Technology & innovation and Entrepreneurship Skills were found to be significant to performance at 5%, 1%, 5% and 10% levels of significance respectively. These factors were therefore found to have a significant influence on performance of the women SSEs in Kenya. Other factors such as Balanced Scorecard, Business Planning and support framework were also found to influence performance. However, their influence was not significant.

The Regression Equation for the nine variables is:

$$Y = 2.147546 - 0.24538X_1 + 0.017751X_2 + 3.44X_3 - 0.09067X_4 + 0.659017X_5 + 0.07903X_6 - 0.28341X_7 + 0.22237X_8 + 0.28264X_9 + \epsilon.$$

4.31 Other characteristics of Women Entrepreneurs

This research also cited other characteristics that may influence performance of the women owned and managed enterprises. The respondents were also asked as to indicate other characteristics that influence the performance of their business operations. The responses were factors that support business growth namely, good communication, good relation with customers, giving customers' satisfaction, good public relations, good business locations, entrepreneurs take seriously the feedback of customers, Those who are married enjoy support of their spouses who inject in more capital during times of financial crisis. Other factors mentioned include persistence, patience, support from family and offering quality service. The respondents who indicated good relations with customers also indicated that because they were well known by their customers it gave them an advantage of knowing the taste and preferences of their customers and also enabled them to establish customer loyalty. Most

businesses were located in the neighborhood of their residential premises, a factor that enhanced a competitive advantage in terms of strategic location.

4.32 Research Conclusions

This chapter highlights the important findings and draws conclusions for policy decisions with a view to improving women SSEs in Urban-Kenya. The role played by the Women SSEs within an economy cannot be underestimated. Women SSEs is a useful vehicle for growth through the creation of new employment opportunities on a wide scale in the shortest possible time. It is thus imperative to realize that performance goals and targets, set in production and low costs for the SSEs can only be achieved when SSEs are provided with good SSE-friendly policies, enabling operating environment, improvements in infrastructure. Indeed 246(69.49%)of women SSEs in this study had the number of their employees increase, thus creating more job opportunities during a span of three years from the year 2008 and 2010.

According to the descriptive results, the family attributes that impede the performance of SSEs in Urban- Kenya include conflict of domestic roles with business roles, the dependency of families in the enterprises proceeds, the conflict between family responsibilities and business operations, using the business proceeds to take care of families and their children among others. This clearly shows that the women entrepreneurs have not cut a line between their businesses and their families. This then causes the decline in performance of these enterprises due to the family interferences.

In spite of the major role, significance and the contributions of small-scale enterprises to the national economy, women SSEs are still battling with many constraints that exist in promoting their development and growth. The government and other support institutions should start subsidized day care centers for children and House help bureaus to enable women have reduced burden of family responsibilities. This study found that a majority, 80 percent of women in SSEs were below the age bracket of 40 years that could probably mean that most women in SSEs were still bearing and nursing young babies therefore overburdening them with family responsibilities, thus, limiting their concentration in business activities. Given the role played by the small scale enterprises in the country there is thus a need to equip women running these businesses with entrepreneurship skills so as to enable them to have the know-how in their management. The entrepreneurs with a background in financial management appeared to perform better. There is thus a need to train the women in financial management to improve on their performance.

The study also found a positive relationship between access to credit and the performance of the SSEs run by women in Urban-Kenya. However, it was observed that the women in SSEs lacked adequate access to credit facilities. As a way out of financial constraints of SSEs, a number of innovative mechanisms could be implemented. These include group lending approaches, small and contingent on the success of the women SSEs. Priority should be given to increase credit, link credit savings or micro financing institutions through NGOs, commercial banks and relevant government ministries with women SSEs through carrying out a national sensitization on various credit sources and regulations for credit access. Lack of sufficient capital partly emanates from a knowledge gap and appropriate business

promotion that can be supported with reliable and supportive credit schemes. This will come in handy since SSEs are quite entrepreneurial and need to be supported to grow and expand.

The study found that women had issues with accessing credit facilities. Although there are several avenues of financing such as from Micro Finance Institutions e.g. through Kenya Women Finance Trust and the Women Enterprise Fund established by the government in 2007, most women interviewed have not accessed these funds, only 2(0.05%) had accessed the funds. The women in SSEs interviewed indicated that the procedures for obtaining the funds were quite cumbersome. The women entrepreneurs also indicated that one of the requirements of getting access to the women enterprise funds and even the Kenya women Finance Trust funds was affiliation to a women group which complicated access to finance. They pointed out that most of them did not belong to strong women groups and accessing funds as an individual is much easier than as a group because of accountability issues. This research revealed that most (over 50%) women entrepreneurs have not gone beyond secondary education and only 3% have post graduate education. It was noted that the women who did not have proper grounding in education lacked a lot of essential requirements of their businesses such as information on how to access credit, get support from other social networks and proper financial management and business planning. Results also indicated that majority of women in SSEs are married (65%) and are also below the age of 40 years (85%). This result is consistent with the findings of Gakure(2003) which indicated that the more educated women had better networking and that most women in SSEs are married and are also in the age bracket of 30 and below. There is need to improve the socio-economic conditions of women through the provision of loan assistance, entrepreneurial skills

acquisition and provision of higher level of girl child education. There is need to sensitize the Kenyan population on the emphasis and importance of girl child education which may form the basis of acquiring entrepreneurial education required to improve performance.

With good financial management practices in place, the performance of SSEs increases. The results imply that better financial management styles will lead to a positive impact on the overall performance of SSEs in Kenya that are run by women. The positive sign between the two variables also implies that they both move in the same direction. Finance management techniques are developed to help small entrepreneurs manage their business. These techniques help the small-scale entrepreneurs to calculate the costs against the profits that they get. The result concurs with existing literature that shows that deficient financial management causes some of the most common and serious problems for small scale entrepreneurs. Providing financial services for small scale enterprises is a powerful tool for poverty reduction enabling the poor households to build assets, increase incomes and reduce their vulnerability to economic stress and external shocks. Micro finances or the lending institutions increases the entrepreneurs cash flow access to credit plays an important role in enhancing smaller enterprises ability to finance investments by offering them a mix of short and medium term loans which enable them to bridge critical periods in their cash flows during the establishments and incubation periods.

Business planning, though positively related to the performance of SSEs in Urban-Kenya, its use in women SSEs does not spur any change in their performance. From the correlation matrix, there is a significant relationship between business planning and performance of

women owned and/or managed enterprises with business planning recorded p value of 0.00 and a coefficient index of 0.28 to performance. Individually business planning was correlated to performance, but when regressed as a component in the regression mix of other factors it was statistically insignificant.

Although most women entrepreneurs did not have a business plan at the firm start-up most of them agreed that business planning is very essential for the success of an enterprise. Various stakeholders especially the government should find mechanisms of training women entrepreneurs on how to prepare and use a business plan in operating businesses. A business plan gives the entrepreneur a vision and a blue print on how to undertake business operations, it guides business activities and it can even be used to obtain a loan. Business plan involves managerial ability aimed at reinforcing lack of appropriate training and leadership development in various aspects of SSEs management. In spite of the fact that business schools and training institutions are available in the country, there is no effort to reach out to the small scale entrepreneurs within the country. This could be as a result of the size and scope of the operations of these small enterprises that women do not consider using the business plans.

Balanced scorecard registered the highest positive correlation to performance probably because it is also a measure of performance. Appendix 11 shows that balanced scorecard on its own is statistically significant to performance at 99% confidence interval. However, when regressed as a component in the regression mix of other factors it is statistically insignificant. Though positively related to the performance of SSEs in Kenya, women owners and/or

managers did not use balanced scorecard and therefore did not spur any change in their performance. This study also revealed that balanced scorecard is very critical in the success of an SSE in Urban-Kenya.

The importance of women entrepreneurs' management style in the form of balanced scorecard has to be underscored by the entrepreneurs themselves and even the government. This can be done by organizing seminars, workshops and conferences that sensitize women entrepreneurs, and train them on the importance of having a holistic approach to management using all the drivers of the balanced scorecard but specifically the customer perspective and the employee perspective that were found to be very critical in the success of the SSEs. Women entrepreneurs should be encouraged to organize more training opportunities for their employees on new methods of production and service delivery. Women entrepreneurs should also be taught to embrace employees as profit centers and not cost centers with a view to enhancing more learning and growth of the employees and ultimately the entire business enterprise because training employees could have a positive effect in the success of the women SSEs in Urban-Kenya.

The multiple regression results in Table 52 indicate that the adoption of new technology within enterprises is actually a crucial determinant to the success of small businesses. Technology also plays a crucial role in giving any business enterprise a competitive advantage in performance improvement and enhanced service delivery. Information technology in particular has become an indispensable ingredient in several strategic thrust that business have initiated to meet the challenges of change. Such strategic thrust include

internetworking, the internet, intranets and other types of networks, which have become the primary information technology infrastructure that supports the business operations. This is especially evident in electronic commerce.

Women operating SSEs in Urban-Kenya have taken the advantage of handset cellular phones to improve their business operations. The cellular phones acted as their inventories for keeping customer contacts. The women entrepreneurs also use the 'M-pesa' (money transfer service through cellular phones) as a source of banking facility and money transfer service to their suppliers and banks. Using information technology for business re-engineering frequently results in the development of information systems that help give a company a competitive advantage in the market place. These strategic information systems use information technology to develop products services and process and capabilities that give a business a strategic advantage over the competitive forces it faces in its industry (O'Brien, 1999). The results are consistent with the finding of Bessant (1991) and Gloet and Terziovski (2004). According to Gloet and Terziovski the emergence of new technology Information Technology practices and Human resource management practices leads to higher innovation within an organization. Bessant(1991) on the other hand said that workers should have the technical skills to handle new tasks in a highly automated environment and to master the analytical and quality control techniques that are being incorporated into their job. High degrees of quality, productivity and flexibility are also achieved through the introduction of advanced technologies such as numerically controlled machine tools (NCMTs), industrial robots, flexible manufacturing systems, and automated monitoring and measuring techniques.

From the results of this research it can be concluded that family and socio-cultural characteristics have a significant negative influence to performance. Financial management, accesses to credit, Technology and Innovation, Entrepreneurship skills have a significant positive influence on performance, while, Balanced Scorecard, Business Planning and Support framework do not have a significant influence on the performance of women SSEs in Kenya. In conclusion it would appear that Balanced scorecard, Business planning and Support framework were not applied in the operations of the women SSEs and thus they do not spur growth of these SSEs in Urban- Kenya. The family and socio-cultural characteristics of the women in SSEs act as constraints to the growth of the women SSEs. The result of this study on cultural characteristics is consistent with ILO Report (2008). According to ILO Report women entrepreneurs have to seek permission from their spouses to attend business meetings and most often than not, the permission is never granted limiting their ability to establish strong business networks. Further, results indicate that technology and innovation, entrepreneurship skills and the economic characteristics are strengths that can be used by the women SSEs to improve the performance of their businesses. From the analysis of results by sector, the personal and professional services were found to perform better as compared to the other three sectors. This sector recorded performance of above 60 percent in all indicators of performance. More support and emphasis should be given to encourage the would-be entrepreneurs to engage in businesses in this sector because results indicated above average performance in all the five indicators of performance investigated in this study. Education sector lagged behind in this sector; however, it attracted entrepreneurs who had the best education in form of university and post university education.

4.33 Chapter Summary

The general objective of this study was to establish the relationship between performance indicators and the enterprise characteristics of women entrepreneurs in SSEs. To achieve the objectives of the study, cross sectional data were collected and compiled from a sample 384 respondents from all the council wards in Nairobi East. The study found that all the nine variables together influence the performance of women owned and/or managed SSEs. The prescribed model given in chapter three was therefore fit in explaining the changes of independent and the dependent variables used in the study. Individually, however, some variables were statistically significant while others were insignificant.

The following factors were found to be significant independently namely: Balanced Scorecard, Business Planning, Support Framework and Economic Indicators, family characteristics and socio cultural characteristics. However, Technology and innovation and entrepreneurship skills on their own were found to be insignificant to performance. When all the nine factors were considered as a mix, family characteristics, economic factors, socio-cultural characteristics, entrepreneurship skills, technology and innovation seemed to be statistically significant while, support framework, balanced scorecard and business plan seemed statistically insignificant.

In line with the study hypotheses, this study summarizes the following results:

The study found that a majority of the respondents strongly agreed to use their income from their businesses to take care of their businesses. Respondents also agreed that they support many dependents from their businesses. The study also found that family characteristic

impact negatively on the performance of small scale enterprises owned and/or run by women in Kenya. According to the first objective; to evaluate how family characteristics and responsibilities influence the performance of women owned and/or managed SSEs. Family characteristics were negatively and statistically significant to performance. The hypothesis H_1 was not rejected. This means that family characteristics influence performance negatively. The study found out that economic characteristics are related to the performance of the SSEs owned and/or managed by women in Kenya. Inferential statistics results indicates that there was statistical significance of the two factors of economic characteristics namely, financial management and access to credit. According to the second objective; to determine the correlation between economic characteristics and performance, there was a correlation between economic characteristics and performance. The hypothesis H_2 was not rejected. This means that economic characteristics influence performance positively.

From inferential statistics the study showed that social cultural issues are negatively related to the performance of small scale enterprises that are run by women in Kenya. Based on the third objective; to examine whether social cultural factors influence performance of women owned and/or managed SSEs, there was a negative but significant relationship between socio-cultural characteristics and performance. The hypothesis H_3 was not rejected. This means that socio-cultural characteristics influence performance negatively.

The descriptive analysis indicated that majority of the respondents strongly agree that interactions and sharing experiences with other groups influence performance of women owned and or managed business enterprises. The results also indicated that respondents agree

on receiving support and advice from other business people to improve on their performances in their businesses. Regarding the fourth objective; to assess if the level of support systems influence performance of women owned and/or managed SSEs), there was a positive but insignificant relationship between support framework and performance. We accepted the null hypothesis ($H_{4=0}$). This means that the level of support framework did not have a strong influence on performance. As concerns the fifth objective; to assess if there is a relationship between entrepreneurship score card and performance of women owned and/or managed SSEs, there was positive and significant relationship between entrepreneurship score card and performance, hypothesis H_5 is not rejected. This means that entrepreneurship scorecard influence performance positively. Table 53 summarizes the independent variables and their significance effect to the dependent variable. It also suggests policy recommendations.

Table 53 Significance of Independent Variables to Performance

Variables	Significance	Direction of Relationship	Conclusion	Policy Recommendations
Family Characteristics	0.0255	Opposite direction-negative relationship	Has a significant relationship to performance. Influence performance negatively. A unit change in the characteristics causes decrease on performance by 0.24538 units.	Train women in SSEs to differentiate between their family financial obligations and that of their businesses. Sensitize women entrepreneurs and their spouses on the need to balance domestic and business roles. Government and support institutions to start day care centre sans house help bureaus.
Access to Credit	0.0373	Same direction-positive relationship	Has a significant relationship to performance. Influence performance positively. Increase in these characteristics by one unit causes an increase on performance by 3.44 units.	Lending approaches be analyzed: 1. Priority should be given to increase credit, 2. Link credit savings or micro financing institutions through NGOs, commercial banks and relevant government ministries. 3. Sensitize women entrepreneurs on the benefits of borrowing finances to expand their businesses. 4. Relax the procedures for borrowing to enable the entrepreneurs easily access the funds such as women enterprise funds and the KWFT funds.
Financial Management	0.0000	Same direction-positive relationship	Has a significant relationship to performance. Influence performance positively. Increase in these characteristics by one unit causes an increase on performance by 0.017751 units.	1. Liaising with vocational training institutions to train on relevant skills. (revise the curriculum) 2. Expanding vocational training institutions should be given an increased attention on the part of policy makers as a strategy of supporting businesses through a skilled labor supply. 3. Public - Private partnership should be strengthened. 4. Women in SSE to take courses on book keeping and basic accounting

Variables	Significance	Direction of Relationship	Conclusion	Policy Recommendations
Socio cultural characteristics	0.0891	Opposite direction – negative Relationship	<p>Has a significant relationship to performance.</p> <p>Influence performance negatively.</p> <p>Availability of a unit of these characteristics causes a decrease in performance by 0.09067 Units.</p>	<ol style="list-style-type: none"> 1. The society as a whole need to recognize the rights of women and create a level playing ground with their male counterparts in all aspects of life. 2. Speedy implementation of the constitution clauses that support property inheritance by girl-child. 3. A change of attitude should be encouraged on the girl child property ownership. 4. Policy should be enacted that encourages a serious campaign all over the country to sensitize the citizens on the benefits of entrepreneurial culture as a vehicle for achieving millennium development goals and Kenya's Vision 2030.
Business Planning	0.5477	Same positive relationship	<p>Has insignificant relationship to performance.</p> <p>Independently, it does not influence performance</p>	<ol style="list-style-type: none"> 1. Women in SSEs should be sensitized on the need to have a business plan and strengthen business incubation centers. 2. Seminars and workshops on preparation of a business plan.

Variables	Significance	Direction of Relationship	Conclusion	Policy Recommendations
Support Framework	0.1902	Same direction- positive Relationship	Has insignificant relationship to performance. Independently, it does not influence performance.	<ol style="list-style-type: none"> 1. Revise the approach of enforcement of laws that regulate the operations of the SSEs because most often than not, the regulatory practices have been known to discourage and thwart entrepreneurship culture rather than developing it. 2. The government should provide mechanisms in which licensing can be easily obtained to avoid harassment of local authorities law enforcement officers (“city council askaris”). 3. The governments should make an effort of streamlining their operations and enacting proper laws such as the micro and small enterprise bill and other laws that can support and protect the SSEs.
Balanced Scorecard	0.6376	Opposite direction- negative relationship	Has insignificant relationship to performance. Independently, it does not influence performance.	<p>Economic empowerment of Women entrepreneurs should be given first priority:</p> <ol style="list-style-type: none"> 1. Women in SSEs should attend courses and training programs geared towards educating them on how to handle the loans given. 2. Women in SSEs need to undergo training on record keeping. 3. Government should sponsor women in SSEs to take courses on the importance of having separate accounts of business and family needs. 4. A holistic approach should be given in the management of women SSEs. This should incorporate the employees, customers and proper financial management courses.

CHAPTER FIVE: POLICY RECOMMENDATIONS, SUGGESTIONS FOR FURTHER RESEARCH AND LIMITATIONS OF THE STUDY

This section consists of suggestions for further research and recommendations to the government and policy makers on issues that may assist the women in SSEs improve the performance of their enterprises. It also presents limitations of the study and suggests solutions that could be used by the entrepreneurs themselves and other stakeholders in businesses to mitigate the challenges faced in operating women SSEs.

5.1. Instituting a Strong Policy Framework

The government and other stakeholders should strive to eradicate poverty through the provision of microfinance and skill acquisition development for income generation. The Kenyan government has made some strides in the provision of financing of women enterprises by introducing the women enterprise fund. However, there ought to be a strong policy framework that facilitates the disbursement of this fund to the women entrepreneurs. Research has shown that most women are not even aware of the existence of these funds and those who know of its existence have not accessed it because of lack of information on how to access it. The few women entrepreneurs who have managed to get this fund have benefited immensely from it. The government should ensure that there is a mechanism instituted to monitor the disbursement of all the money allocated for the women enterprise fund to enable women SSEs benefit from the set funds. This could assist the women SSEs thrive in their business enterprises, leading to poverty eradication and more wealth creation.

This research observed that only 17% of women entrepreneurs own title deeds that they can use to access formal financing from the banks and over 80% lack this essential collateral security that can be used to obtain credit to finance their business operations. Encourage stakeholders and the government to introduce a women's entrepreneurship day after every four months to promote and sensitize the citizens on the role of women entrepreneurs in the economy.

5.2 Economic Empowerment

From the findings of the study, it is recommended that all the stake holders should engage in deliberate efforts to develop financial and support programs that meet the needs of women entrepreneurs in the country. Existing financial and business development institutions, donors and NGOs should be encouraged to develop specialized programs and schemes to address the needs of these women. There is also a need to train women who manage these business enterprises in the country with financial management to enable them manage their enterprises in a better and efficient manner. Women entrepreneurs should attend courses and training programs geared towards educating them on how to handle the loans given. They also need to undergo training on record keeping. They should take courses on the importance of having separate accounts of business and family needs. Courses on entrepreneurship education may also help in bridging the gap on poor financial management. Although entrepreneurship culture cannot be learnt in school, attaining the right entrepreneurship skills could assist in ensuring that the appropriate business practices are employed in women SSEs.

5.3 Access to credit-issues on disbursement

The government therefore needs to sensitize women on how they can access non formal banking finance systems either from the women enterprise fund or other Micro Finance Institution (MFI). This role has become necessary in Kenya in order to foster the empowerment of women that are heavily disenfranchised by the formal banking system due largely to the perceived and real high risk and cost associated with serving the poor. Mitigating this constraints and poverty, accelerates the adoption of new technologies and national personal income, apart from raising productivity, employment opportunities and improving business performance. Women are now assuming additional burden of fending for themselves and other family members. This development leaves a majority of affected to the informal sector, which logically would require robust MFIs system to cater for the women entrepreneurs.

Access to credit facilities is a key determinant to the performance of the women owned SSEs in the country, loans offered by MFIs and commercial banks around the country should be revised to meet the needs of women entrepreneurs and more individual-based products need to be developed. The banks should adopt relationship lending as a dominant bank rule in funding SSEs. This will mitigate the problem of weak asset-based collateral. The macroeconomic environment should be stabilized through proper fiscal and monetary policy coordination to reduce interest rates, stabilize prices and reduce rent seeking behavior among economic agents especially among banks.

5.4 Entrepreneurship skills

On the issue of entrepreneurship skills, the education system in the country should incorporate business management courses in schools' curriculum through the use of case studies and business simulation clinics. This will assist to develop and enhance the ability of future entrepreneurs to be proactive, to anticipate business related problems, to set goals and objectives and be better prepared for the world of work. This is because the SSE sector has proved to be a key employer of the majority of Kenyans. Also, the study recommends that all stakeholders, governments at all levels, non-governmental organizations (NGOs) and corporate bodies should help to train women in entrepreneurship and also empower them to set up their own businesses. This no doubt, will reduce unemployment and poverty levels within the country.

Small scale enterprises require technologically skilled work force. Entrepreneurs should, therefore, attract educated personnel. They should tackle this problem by liaising with vocational training institutions .On the other hand; expanding vocational training institutions should be given an increased attention on the part of policy makers as a strategy of supporting businesses through a skilled labor supply. In this regard, the public - private partnership should be strengthened. There is a need for the women enterprises in the country to make a differentiation between their family financial obligations and that of their businesses. The study revealed family characteristics to be negatively related to the performance of SSEs. The entrepreneurs are thus supposed to be professionals in their work and this can only be done through training. Social economic aspects also impedes the performance of SSEs and

the society as a whole need to recognize the rights of women and create a level playing ground with their male counterparts in all aspects of life.

5.5 Business Incubators

The government should establish decentralized business incubation centers and introduce and implement policies of educating women SSEs on right business practices; relevant government ministries to engage in a nationwide campaign and programmes to sensitize entrepreneurs on the need to attend such centers and BDS. Attempts should also be made to strengthen the existing centers and sensitize women on the need to have competent business practices that incorporate entrepreneurship competencies and balance scorecard. More women entrepreneurs should be educated on the need to network among fellow entrepreneurs be it men or women so that they can borrow a lot from their colleagues in business and learn from the experiences of the successful business persons. Business incubation centers and BDS may go along way in sharpening the skills of the women entrepreneurs, it could also reshape the culture and practices of entrepreneurship in Kenya and by extension, enable Kenya to achieve a mileage in its vision 2030.

5.6 Support Framework

This study revealed that Support framework had a positive correlation to the performance of SSEs. It is therefore imperative that the women operating SSEs seek all the avenues of support to enhance success of their enterprises. The government, fellow entrepreneurs and the nongovernmental organizations (NGOs) should provide an enabling environment that can develop and nurture the necessary support required by the women entrepreneurs to enable these enterprises succeed. The government has a great role to play especially when it comes to enforcement of laws that regulate the operations of the SSEs because most often than not,

the regulatory practices have been known to discourage and thwart entrepreneurship culture rather than developing it. The government should provide mechanisms in which licensing can be easily obtained to avoid harassment of local authorities law enforcement officers (“city council askaris”).

Women entrepreneurs also need to engage in a lot of networking with other stakeholders in business operations. Women should endeavor to link up with fellow entrepreneurs (men or women), join business associations and learn from the experiences of successful entrepreneurs. This form of networking will enable the women entrepreneurs to learn how to surmount the barriers and constraints they experience in operating their businesses. The networks will also give the women SSEs a stronger bargaining power that they can use to lobby favorable treatment and influence policy issues in the government.

5.7 Enacting and implementing supportive laws for SSEs

We take cognizance of the contribution of the Kenyan government in supporting women through the quest to achieve gender parity. However, most of the issues outlined in government policies have not yet been implemented not to mention women empowerment and the SSE bill which has not yet been passed into law to allow the sector to have the freedom to make decisions that affect this important sector of Kenya’s economy. The governments should make an effort of streamlining their operations and enacting proper laws such as the micro and small enterprise bill that can act as a proper support arm of the law that will encourage SSEs and provide a supportive environment for the women to operate their businesses.

5.8 Building capacity for wealth creation

The government should build community capacities for wealth creation among enterprising women entrepreneurs and to promote sustainable livelihood by strengthening responsive banking methodology. From a study revealed that most women entrepreneurs take care of their family responsibilities first before addressing business needs. A great percentage also does not always bank their business monies. It is therefore, imperative for the women entrepreneurs to be taught the culture of having proper financial management of their businesses to be able to account for their expenses and income with certainty. There is also need for the women entrepreneurs to take courses on book keeping and basic accounting as research shows that the books of accounts are not well kept by the women operating SSEs.

5.9 Suggestions for Future Research

This section identifies the gaps that were not addressed in this study and makes recommendations for further research. It should be noted that from the model of the characteristics influencing women SSEs, the constant's coefficient was positive 2. This could mean that there is a possibility that other variables not investigated in the current study might have effects on enterprise performance. The study therefore recommends another study to establish other factors that could influence women SSE performance.

The study noted that most women entrepreneurs (over 60%) have not sought external financial assistance/credit to operate their business yet there are several sources from non formal banking institutions such as the Kenya Women Finance Trust, cooperative societies, K-Rep Bank and the government's own Women Enterprise fund. A study ought to be carried out to investigate the reasons that impede women access to these funds and probably suggest

solutions to mitigate against the challenges women face in credit accessibility, management and repayment.

The study noted that Bantu (90.4%) and particularly the Kikuyu (63.6%) as an ethnic community were overly represented. A further study is suggested that would accommodate all the 42 ethnic groups in the country to be able to draw a logical conclusion on the role of ethnicity to performance of women SSEs in Kenya. This research only managed to capture 12 ethnic groups using the random sampling.

A similar study should be replicated to the medium and large enterprises to establish if the characteristics investigated in this study can be generalized to the two sectors that were not part of the scope of this study to aid in suggesting recommendations for theory and practice in the whole entrepreneurship sector. There is also need to carry out a similar study on male entrepreneurships or a comparative study on both women and men with a view to identifying similarities in characteristics between men and women in order to draw policy implications that could revamp the whole SSE sector in the country. Another study also should be done in Rural-Kenya on the enterprises characteristics and performance because this study focused on the women entrepreneurs in urban Kenya, the characteristics of the women entrepreneurs in Kenya's rural areas may not be the same as for those women entrepreneurs in the urban areas of Kenya.

5.10 Limitations of the Study

This research encountered the following limitations: There is limited research on women entrepreneurships in Kenya and those that are available are rather general and do not address

the specific issues that affect women entrepreneurs that were investigated in this research; it was therefore difficult to get recent literature relevant for this study. Some enterprise owners did not respond on time creating a delay in the coding of the results; some respondents lost the questionnaires and therefore registered non response; some owners and/or managers of the SSEs were afraid to divulge financial information because of fear of being reprimanded by the government due to tax evasion and some respondents had to seek the permission of their spouses before answering the questionnaires resulting in a delay of the response.

5.11 Chapter Summary.

This chapter provided recommendations for policy decision to the government, other stakeholders and the women entrepreneurs themselves with a view to suggesting solutions for the challenges faced by the women SSEs in Kenya. This chapter provided highlights on major limitations of the study and also made recommendation for further research.

APPENDICES

Appendix 1: Questionnaire on Enterprise Characteristics of Women Entrepreneurs

We are undertaking a study on enterprise characteristics of women entrepreneurs. The following questions are designed to assist in the collection of relevant information concerning this research. Some questions will require that you select from a value scale of 1 to 5, and others will require a simple 'Yes' or a 'No' answer. Still, others will require your honest opinion about the subject being investigated. Please respond appropriately by indicating a tick in the boxes or spaces provided and circling the answer as the case may be. In the questionnaire value scale below, some statements are positive, while others are negative. For each statement you are required to indicate a tick to which extent you agree or disagree with the statements. The information sought is purely for academic purposes and shall be treated with utmost confidentiality. Therefore answer the questions honestly and sincerely. Choose only one answers for each question. Thank you very much for your response.

A1.1 Background Information of the SSE Entrepreneur

1. Name of your organization:.....
2. Address of your organization.....
3. Phone number:.....
4. Email address:.....
5. Do you rent the Premises? Please circle your answer: Yes we rent.No we do not
6. Do you own the property? Yes we do.....No we do not own it
7. If you own the property have you paid for it?.....Yes.....No
8. Do you have electricity on your premises? Yes we do.....No we do not
9. Do you have water?.....Yes.....No
10. How many people work for you?
11. When was organization registered?
12. When did your firm actually start?
13. What is the type of ownership of your firm?....(a)Foreign(b)..Local
14. If locally owned please circle if owned.....(a) by groups or (b) by an individual
15. Please circle if your organization is(a) government or.....(b) private
16. Please indicate the number of directors.....

A1.2 Information on the Principal Respondent of Questionnaire

- 17 Please give your name
17. Please tell us your job title/position.....
18. State your year of birth.....
19. What is your country of birth?.....
20. Which is your country of residence?.....
21. You belong to which ethnic/community.
22. Religion: Atheist Christian Hindu Muslim Other-specify
23. Educational background: Below primary Primary Secondary
College University Post graduate
24. What is your marital status?
(i) Married (ii) single (iii) separated (iv) divorced widowed

25. Do you have children? Yes No
26. Number of children?
27. What is the number of people living in your household.....
28. Number of children dependents supported in schools and in colleges by you
.....
29. What is the estimated income of your spouse per month? Please Tick the correct answer
Kshs. 3000 – 5000
- Kshs. 5001 – 7000
- Kshs. 7001 – 9000
- Over Kshs. 9000
30. What is the total monthly income in your household including financial support of
any other person living in your household? Please Tick the correct answer.
Ksh 20,000
- Ksh 20,000 - 50,000
- Kshs 50,000 - 100,000
- Ksh.100, 000 - 200,000
- Ksh. 200,000 - 500,000
- Ksh.500, 000 - 1000,000
- Over 1000,000

A1.3 Characteristics of the Entrepreneurs

The following statements are an attempt to collect information concerning your characteristics as an entrepreneur. Explain to what extent you agree with the statements by ticking your appropriate responses to each of the statements of a scale of 1 strongly disagree, 2 disagree, 3 Neutral, 4 Agree and 5 for strongly agree.

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
A.1.3.1 FC	Family Characteristics 31. My family responsibilities interfere with my business operations.					

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
	32. My business suffers when I have a small baby since I have to take some time off.					
	33. My business functions as usual even in my absence while taking care of family responsibilities.					
	34. My business cannot succeed because of problems at home.					
	35. I am the sole breadwinner of my family and must always go to my business in order to provide for them.					
	36. I use income from the business to take care of children or people who are sick .					
	37. I support many dependents in school, colleges and universities from my business income.					
	38. My husband gives me support in handling family expenses.					
	39. My interest in business was inherited from my parents.					
	40. My domestic roles conflict with my business roles because I have to attend to my domestic roles before opening my business.					
A.1.3.2	Socio-cultural characteristics					
SC	41. Our culture does not support a woman to acquire a title deed.					
	42. Our culture does not support women who are financially empowered.					
	43. Our culture discriminates against women.					
	44. I do rent my business premises because I do not have a title deed for my business premise.					

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
	45. The social stigma that my community associates with HIV/AIDS can interfere with business performance.					
	46. The cultural discrimination influences poor business performance.					
A.1.3.3 S.FR	Support Framework 47. I try to interact with groups or other business people and we share our experiences of operating our businesses					
	48. I receive support and advice from other business people on how to operate my business.					
	49. The government has been supportive to my business.					
	50. The city council law enforcement officers ('askaris') help me in my business.					
	51. I prefer operating my business without the assistance of any group or the government					
	52. I have enough information about markets and business opportunities.					
	53. I require networking/support of others to be able to perform well in my business.					
A.1.3.4 FM	Financial Management 54. I always bank the money I earn from my business.					
	55. I keep records of all that I buy and sell in my business.					
	56. I have a separate account for my business and family income.					
	57. I take care of my family financial requirements first then the remaining money is what is banked.					

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
	58. I do auditing of the books of account of my business.					
	59. Good financial management is essential for business success					
A.1.3.5 CR	Access to credit 60. I have obtained loans or financial assistance from others to start my business.					
	61. It was not easy to get the credit or financial assistance from others.					
	62. When I got a loan from friends or financial institutions, the repayment conditions were very difficult to fulfill.					
	63. I have obtained funding from the women enterprise fund					
	65. It was easy to get the information on how to access the women enterprise fund.					
	66. It was not easy to access the women enterprise fund.					
	67. The credit I obtained has really improved the performance of my business.					
A.1.3.6 BP	Business Planning 68. I prepared a business plan before starting to operate my business					
	69. When I began my business I did not have a business plan, but I prepared it later after starting my business.					
	70. A business plan can be used to acquire a loan					
	71. A business plan has enabled me get a loan.					
	72. I do make sure that I use my business plan to my business.					

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
	73. A business plan is very essential to the success of a business.					
A.1.3.7 T&I	Technology & Innovation 74. I enjoy trying new things (e.g. using M-Pesa and Cellular handset) in my business.					
	75. I like operating in a familiar way because I fear trying what I do not know.					
	76. I have a research team or person in my business who informs me about new things that we need to introduce in my business.					
	77. I am the only person who can introduce a new thing/idea into my business.					
	A.1.3.8 EP&E	Entrepreneurship Skills and Education 78. I believe that learning entrepreneurship skills is useful for business success.				
	79. I undertook a course in entrepreneurship and business management before I started my business.					
	80. I have attended several courses related to my business operations.					
	81. The ability to operate a business well is a natural factor which can never be learnt in school or college.					
A.1.3.9 BS	Balanced Scorecard (Employees, Customers and Financial Perspective) 82. I believe in discussing business issues with my employees.					
	83. We take the suggestions of our employees very seriously.					

Code	Statement	Strongly disagree 1.	Disagree 2.	Neutral 3.	Agree 4.	Strongly Agree 5.
	84. I have trained specialists as employees who assist me in my business.					
	85. I train my employees by giving them formal courses on how to improve business performance.					
	86. I always ask my customers what they feel about the goods and services I sell.					
	87. Everybody- that is, the employees and I participate in ensuring that customers or clients are satisfied.					
	88. Satisfying the customers and the employees is very important for business success.					
A.1.3.10 PC	Performance indicators 89. My sales have improved since I started my business.					
	90. My assets have grown since I started my business.					
	91. My capital has grown since I started business.					
	92. I have increased the number of employees since I started my business.					
	93. My profits have grown since I started my business					

94. Indicate in the table below the number of employees for the last three years

Year	Number
2008	
2009	
2010	

95. Record the performance of the following for the last three years. For the values of money provided, tick the correct amount in the spaces provided.

(a) The year 2008

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

(b) The year 2009

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

(c) The year 2010

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

A.1.3.11 Constraints to business performance

96. What problems do you encounter in your business?

.....
.....
.....

97. What other characteristics of enterprises do you think influence the level of performance of your business enterprise?

.....
.....
.....

98. How best do you think the small scale businesses can be improved?

.....
.....
.....

Thank you very much for your cooperation.

Appendix 1b: Original Question Stated as “Record the performance of the following items:

Year	Number of employees	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
2006						
2007						
2008						
2009						
2010						

Source: Researcher, 2012

Appendix 1C The Revised Question

95. Record the performance of the following for the last three years. For the values of money provided, tick the correct amount in the spaces provided.

(a) The year 2008

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

(b) The year 2009

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

Source: Researcher, 2012

(c) The year 2010

Money in Kshs.	Sale in Kshs.	Assets in Kshs.	Capital in Kshs.	Profits in Kshs.	Costs in Kshs.
120,000-240,000					
240,500-480,000					
480,500-720,000					
720,500-1000,000					
1000,000-2000,000					
2,500,0000-4,000,000					
Over 4,000,000					

a. Predictors (Constant)

Source: Researcher, 2012

Appendix 2: Coded Descriptions of Study Variables

Variable No.	Variable Name	Code Description
1.	Age	1. < 30 2. 30-39 3. 40-49 50+
2.	Religion	1. Atheist 2. Christian 3. Hindu 4. Muslim 5. Others
3.	Education	1. Below Primary 2. Primary 3. Secondary 4. College 5. University 6. Post graduate
4.	Marital Status	1. Married 2. Single 3. Separated 4. Divorced 5. Widowed
5.	Have children	1. Yes 2. No
6.	Ethnicity	Record 1. Embu 2. Gabbra 3. Kalenjin 4. Kamba 5. Kikuyu 6. Kisii 7. Luhya 8. Luo 9. Maasai 10. Meru 11. .Somalia 12. Taita
7.	Household income	1 = ksh.20,000 2 = ksh. 20,000-50,000 3 = ksh. 50,000-100,000 4 = ksh. 100,000-200,000 5 = ksh. 200,000-500,000 6 = ksh. 500,000-1,000,000 7 =over 1000,000

8	Rent premises	1.Yes 2.No
9	Owning property and fully paid for it	1.Yes 2.No
10	Have electricity	1.Yes 2.No
11	Have water	1.Yes 2.No
12	Type of ownership	1.Foreign 2.Local
13	Type of local ownership	1.Group 2.Individuals
14	Type of Organization	1.Government 2.Private
15.	Family characteristics(FC)	Average of items of family characteristics ranging from 1-5 for the positively framed phrased items 1 =Very weak family characteristic 5 = Very strong family characteristic For the negatively framed items 1 = very strong family characteristics 5 = very weak family characteristics
16	Socio-Cultural Characteristics(SC)	Average of items of Socio-Cultural characteristics ranging from 1-5 for the positively framed phrased items 1 =Very weak Socio-Cultural characteristics 5 = Very strong Socio-Cultural characteristics For the negatively framed items 1 = very strong Socio-Cultural characteristics 5 = very weak Socio-Cultural characteristics
17	Support Framework(S.FR)	Average of items of Support Framework ranging from 1-5 for the positively framed phrased items 1 =Very weak Support Framework 5 = Very strong Support Framework For the negatively framed items 1 = very strong Support Framework 5 = very weak Support Framework
18	Financial Management(FM)	Average of items of financial management ranging from 1-5 for the positively framed phrased items 1 =Very weak financial management 5 = Very strong financial management For the negatively framed items 1 = very strong financial management 5 = very weak financial management
19	Access to Credit(CR)	Average of items of Access to credit ranging from 1-5 for the positively framed phrased items 1 =Very weak Access to credit 5 = Very strong Access to credit

		For the negatively framed items 1 = very strong Access to credit 5 = very weak Access to credit
20	Business Planning(BP)	Average of items of Business Planning ranging from 1-5 for the positively framed phrased items 1 =Very weak Business Planning 5 = Very strong Business Planning For the negatively framed items 1 = very strong Business Planning 5 = very weak Business Planning
21	Technology & Innovation(T & I)	Average of items of Technology & Innovation ranging from 1-5 for the positively framed phrased items 1 =Very weak Technology & Innovation 5 = Very strong Technology & Innovation For the negatively framed items 1 = very strong family Technology & Innovation 5 = very weak Technology & Innovation
22	Entrepreneurship Skills and Education(EP & E)	Average of items of Entrepreneurship skills ranging from 1-5 for the positively framed phrased items 1 =Very weak Entrepreneurship skills 5 = Very strong Entrepreneurship skills For the negatively framed items 1 = very strong Entrepreneurship skills 5 = very weak Entrepreneurship skills
23	Balanced Scorecard(BS)	Average of items of family Balanced Scorecard ranging from 1-5 for the positively framed phrased items 1 =Very weak Balanced Scorecard 5 = Very strong Balanced Scorecard For the negatively framed items 1 = very strong Balanced Scorecard 5 = very weak Balanced Scorecard
24	Performance Indicators(PC)	Average of items of performance characteristics ranging from 1-5 for the positively framed phrased items 1 =Very weak Performance characteristic 5 = Very strong performance characteristic For the negatively framed items 1 = very strong performance characteristics 5 = very weak performance characteristics

Source: Researcher, 2012

Appendix 3: Regression Analysis, Coefficients and Correlation for Economic Indicators and Performance score**Appendix 3 (i) Regression Analysis**

Model	R	R Square	Adjusted square	R	Std.Error of the Estimate
1	067 ^a	.005	0.02		3.731

Source: Researcher, 2012

Appendix 3 (ii) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.312	1	22.312	1.603	.206 ^a
	Residual	4900.448	352	13.922		
	Total	4922.760	353			

Source: Researcher, 2012

Appendix 3 (iii) Coefficient of Economic Characteristics Against performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	19.777	1.142		17.321	.000
Economic Indicator	.036	.029	.067	1.266	.206

Source: Researcher, 2012

Appendix 4 Correlation Matrix of all the Independent Variables against Performance

	Perfor mance Score	Family Charact eristics	socio	Suppor t	Finance Manage ment	Access to Credit	Buss Plan	Techn & Innovat ion	Entrep neurship Skills	Balanced Scorecard
Performance Score	1									
Family Characteri- stics	.085 .111*	1								
Socio cultural	-.055 .304	.102 .056*	1							
Support Framework	.207 .000***	.098 .065	-.002 .965	1						
Financial Management	.101 .057*	-.086 .106	.207 .000***	.16 .002***	1					
Access to Credit	-.011 .843	.165 .002***	-.124 .019**	.073 .170	-.084 .113	1				
Business Planning	.279 .000***	.099 .062	-.053 .316	.284 .000***	.338 .000***	.076 .155	1			
Technology & Innovation	.069 .195	.030 .575	.305** .000***	.032 .545	.202 .000***	-.057 .289	.066 .219	1		
Entrepre neurship Skills	.062 .241	-.129 .015*	.075 .161	.079 .138	.524 .000***	-.037 .487	.200 .000***	.351 .000***	1	
Balanced Scorecard	.328 .000**	.001 .986	-.002 .973	.102 .056	.325 .000***	.029 .581	.210 .000***	.315 .000***	.454 .000***	1

Sig. (2 tailed) N = 354(N- Number of respondents)

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

** Correlation is significant at the 0.05 level (2-tailed).

*. Correlation is significant at the 0.10 level (2-tailed).

Source: Researcher, 2012

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Appendix 5: Baseline Factors

Baseline Factors	Frequency	Percent
Age (in Years)		
< 30	126	35.6
30 -39	175	49.4
40 - 49	42	11.9
50+	11	3.1
Religion		
Atheist	31	8.8
Christian	315	89.0
Hindu	1	0.3
Muslim	7	2.0
Education		
Below primary	4	1.1
Primary	44	12.4
Secondary	148	41.8
College	137	38.7
University	20	5.6
Post graduate	1	0.3
Marital Status		
Married	232	65.5
Single	103	29.1
Separated	14	4.0
Divorced	1	0.3
Widowed	4	1.1
Have Children		
Yes	285	80.5
No	69	19.5
Spouse Income (KES)		
ksh. 3000-5000	11	4.7
ksh.5001-7000	15	6.5
ksh. 7000-9000	5	2.2
over ksh. 9000	201	86.6
House Hold Income (KES)		
ksh. 20000	63	17.8
ksh. 20000-50000	169	47.7
ksh. 50000-100000	80	22.6
ksh. 100000-200000	36	10.2
ksh. 200000-500000	5	1.4
ksh. 500000-1000000	0	0.0
over 1000000	1	0.3

Source: Researcher, 2012

Appendix 6 (i)Ethnicity and performance

	Bantu		Nilotes		Cushites		p-value
	No	%	No	%	No	%	
Sales Improved							
Strongly Agree	295	92.2	26	83.9	2	66.7	0.094
Disagree	25	7.8	5	16.1	1	33.3	
Assets Have Grown							
Strongly Agree	286	89.4	26	83.9	2	66.7	0.314
Disagree	34	10.6	5	16.1	1	33.3	
Capital Have Grown							
Strongly Agree	288	90.0	23	74.2	2	66.7	0.016
Disagree	32	10.0	8	25.8	1	33.3	
Number of Employee Increased							
Strongly Agree	229	71.6	16	51.6	1	33.3	0.028
Disagree	91	28.4	15	48.4	2	66.7	
Profits Have Grown							
Strongly Agree	300	93.8	25	80.6	3	100.0	0.025
Disagree	20	6.3	6	19.4	0	0.0	

Source: Researcher, 2012

Appendix 6 (ii) Bantus, Nilotes and Cushites on Performance Indicators

Performance Indicators	Bantu	Nilotes	Cushites
Sales	88.43%	83.9%	66.7%
Assets	89.4%	83.9 %	66.7
Capital Growth	87.8%	64.5%	33.3%
Increase in Number of Employees	71.6%	51.6%	33.3%
Profits	59.4%	41.2%	66.7%

Source: Researcher, 2012

Appendix 6 (iii) Ethnicity classification

Ethnicity	Frequency	Percent
Bantus are as follows		
Embu	12	3.39
Meru	24	6.78
Taita	3	0.85
Kamba	33	9.32
Kikuyu	225	63.56
Kisii	14	3.95
Luhya	9	2.54
TOTAL	320	90.4
Nilotes are as follows:		
Kalenjin	4	1.13
Luo	26	7.34
Maasai	1	0.28
Total	31	8.8
Cushites are as follows		
Gabbara	2	0.56
Somalia	1	0.28
Total	3	0.8
TOTAL	354	100

Source: Researcher, 2012

Appendix 7: Age and Performance of Women In SSEs Sector

	Age in years								p-value	
	< 30		30 -39		40 - 49		50+			
	No	%	No	%	No	%	No	%		
Sales Improved										
Strongly Agree	118	93.7	159	90.9	35	83.3	11	100.0	0.152	
Disagree	8	6.3	16	9.1	7	16.7	0	0.0		
Assets have Grown										
Strongly Agree	114	90.5	153	87.4	36	85.7	11	100.0	0.484	
Disagree	12	9.5	22	12.6	6	14.3	0	0.0		
Capital Has Grown										
Strongly Agree	114	90.5	151	86.3	37	88.1	11	100.0	0.433	
Disagree	12	9.5	24	13.7	5	11.9	0	0.0		
Number of Employee Increased										
Strongly Agree	82	65.1	122	69.7	34	81.0	8	72.7	0.282	
Disagree	44	34.9	53	30.3	8	19.0	3	27.3		
Profits have grown										
Strongly Agree	119	94.4	160	91.4	38	90.5	11	100.0	0.543	
Disagree	7	5.6	15	8.6	4	9.5	0	0.0		

Source: Researcher, 2012

Appendix 8: Enterprise Characteristics and Performance Indicator Components

i. Enterprise Characteristics and Improvement in Sales

Sales Improved	n	Mean	std	t-statistics	P-value
Family Characteristics					
Strongly Agree	323	31.1	6.1	0.7	0.484
Disagree	31	30.3	5.7		
Support Framework					
Strongly Agree	323	21.7	4.0	1.4	0.166
Disagree	31	20.6	3.8		
Balanced Scorecard					
Strongly Agree	323	26.1	4.4	-0.6	0.563
Disagree	31	26.6	4.8		
Access to Credit					
Strongly Agree	323	18.9	5.1	1	0.539
Disagree	31	17.9	5.8		
Entrepreneurship Skills					
Strongly Agree	323	10.7	3.5	-2	<i>0.044</i>
Disagree	31	12.0	3.1		
Business Planning					
Strongly Agree	323	20.4	4.4	2.9	<i>0.003</i>
Disagree	31	17.9	4.6		

Source: Researcher, 2012

(ii) Enterprise Characteristics and Improvement in Assets

Assets Improved	n	Mean	std	t- statistics	p-value
Family Characteristics					
Strongly Agree	314	31.1	6.1	1.0	0.337
Disagree	40	30.2	6.0		
Support Framework					
Strongly Agree	314	21.8	4.0	3.3	<u>0.001</u>
Disagree	40	19.6	4.0		
Balanced Scorecard					
Strongly Agree	314	26.1	4.4	-0.2	0.837
Disagree	40	26.3	4.6		
Access to Credit					
Strongly Agree	314	18.9	5.0	1.3	0.192
Disagree	40	17.8	6.0		
Entrepreneurship Skills					
Strongly Agree	314	10.7	3.4	-2.2	<u>0.030</u>
Disagree	40	11.9	3.3		
Business Planning					
Strongly Agree	314	20.5	4.2	3.9	<u>0.000</u>
Disagree	40	17.7	5.5		

Source: Researcher, 2012

(iii) Enterprise Characteristics and Improvement in Capital

Capital Improved	n	Mean	std	t-statistics	P-value
Family Characteristics					
Strongly Agree	313	31.0	6.1	0.2	0.852
Disagree	41	30.9	5.5		
Support Framework					
Strongly Agree	313	21.8	4.0	2.6	<i>0.011</i>
Disagree	41	20.1	3.7		
Balanced Scorecard					
Strongly Agree	313	26.2	4.4	0.9	0.357
Disagree	41	25.5	4.8		
Access to Credit					
Strongly Agree	313	18.8	5.0	0.2	0.879
Disagree	41	18.7	5.8		
Entrepreneurship Skills					
Strongly Agree	313	10.7	3.5	-1.8	0.076
Disagree	41	11.7	3.1		
Business Planning					
Strongly Agree	313	20.5	4.2	3.7	<i>0.000</i>
Disagree	41	17.8	5.4		

Source: Researcher, 2012

(iv)Employees Trend over Three Year Period(from 2008-2010)

Employees Increased	n	Mean	std	t-statistics	p-value
Family Characteristics					
Strongly Agree	246	31.5	6.4	2.1	<u><i>0.033</i></u>
Disagree	108	30.0	5.0		
Support Framework					
Strongly Agree	246	21.9	4.0	2.2	<u><i>0.026</i></u>
Disagree	108	20.9	3.9		
Balanced Scorecard					
Strongly Agree	246	26.7	4.3	3.9	<u><i>0.000</i></u>
Disagree	108	24.8	4.6		
Access to Credit					
Strongly Agree	246	19.1	4.9	1.8	0.076
Disagree	108	18.1	5.6		
Entrepreneurship Skills					
Strongly Agree	246	10.8	3.4	-0.4	0.702
Disagree	108	10.9	3.5		
Business Planning					
Strongly Agree	246	20.8	4.1	4.2	<u><i>0.000</i></u>
Disagree	108	18.7	4.9		

Source: Researcher, 2012

(v) Enterprise Characteristics and Improvement in Growth in Profits

Profits Improved	n	Mean	std	t-statistics	p-value
Family Characteristics					
Strongly Agree	328	31.1	6.1	0.8	0.451
Disagree	26	30.2	5.3		
Support Framework					
Strongly Agree	328	21.7	4.0	1.6	0.119
Disagree	26	20.4	4.1		
Balanced Scorecard					
Strongly Agree	328	26.2	4.4	1.1	0.260
Disagree	26	25.2	4.7		
Access to Credit					
Strongly Agree	328	18.8	5.0	0.1	0.894
Disagree	26	18.7	6.2		
Entrepreneurship Skills					
Strongly Agree	328	10.8	3.5	-0.7	0.481
Disagree	26	11.3	3.1		
Business Planning					
Strongly Agree	328	20.3	4.5	2.3	<u>0.023</u>
Disagree	26	18.3	3.2		

Source: Researcher, 2012

Appendix 9: Coefficient of Business Planning Against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	16.487	.884		18.648	.000
Business Planning	.233	.043	.279	5.461	.000
R squared	0.078				
Adjusted R squared	0.075				

a. Dependent Variable: Performance Index
Source: Researcher, 2012

Appendix 10 Coefficient of Technology and Innovation Against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	20.189	.803		25.131	.000
Technology and Innovation	.087	.067	.069	1.299	.195
R squared	.05				
Adjusted R squared	.002				

Source: Researcher, 2012

Appendix 11 Coefficient of Entrepreneurship Skills Against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	20.469	.654		31.278	.000
Entrepreneurship Skills	.068	.058	.062	1.174	.241
R squared	0.04				
Adjusted R squared	0.01				

Source: Researcher, 2012

Appendix 12 Coefficients of Balanced Scorecard against Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.999	1.121		12.487	.000
	Balanced Scorecard	.276	.042	.328	6.516	.000
	R squared	0.108				
	Adjusted R squared	0.105				

Dependent Variable: Performance Score
Source: Researcher, 2012

Appendix 13a Coefficients of Entrepreneurship Scorecard Components Against Performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	11.404	1.311		8.700	.000
Balanced Scorecard	.288	.047	.343	6.098	.000
Business Planning	.197	.042	.235	4.679	.000
Technology and Innovation	-.007	.067	-.006	-.109	.913
Entrepreneurship Skills	-.150	.062	-.138	-2.432	.016
R squared	0.81				
Adjusted R squared	0.73				
R squared	0.169				
Adjusted R squared	0.16				

Dependent Variable: Performance Score
Source: Researcher, 2012

Appendix 13b Coefficients of Entrepreneurship Scorecard Components minus Balanced Scorecard Against Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.844	1.145		13.839	.000
	Business Planning	.233	.044	.278	5.322	.000
	Technology and Innovation	.069	.069	.055	1.010	.313
	Entrepreneurship Skills	-.014	.060	-.013	-.227	.821

Dependent Variable: Performance Score
Source: Researcher, 2012

Appendix 14 Regression Analysis of Entrepreneurship Scorecard, Economic Family, Socio-Cultural Characteristics and Support Framework Against Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.632	1.825		6.374	.000
	Entrepreneurship scorecard	.114	.020	.314	5.678	.000
	Family Characteristics	.050	.031	.081	1.604	.110
	Socio-cultural	-.070	.041	-.085	-1.693	.091
	Support Framework	.139	.048	.150	2.906	.004
	Economic indicator	.045	.029	-.084	1.526	.128

Dependent Variable: Performance Index

Source: Researcher, 2012

Appendix 15: Performance scoreCriterion for performance score

5-10 score	1
11-15 score	2
16-20 score	3
21-25 score	4

The scores were then converted to an index using $X/25$: the index range was from 0.2 to 1.

Where X = the performance Score.

Appendix 16: Analysis of Pertinent Research Factors on Women Entrepreneurs

RESEARCHER	YEAR	TITLE OF RESEARCH	CHARACTERISTICS ANALYZED	CHARACTERISTIC ADAPTED
Ndemo, B & Maina, F.W.	2007	"Women entrepreneurs and strategic decision making" <i>"Management Decision"</i> .	marital status, culture, level of education and poverty	Marital status, culture, Education
Orser B.,	2007	Canadian Women Entrepreneurs, Research And Public Policy: A Review Of Literature	Technology and Innovation, Access to capital and terms of lending. Type of business venture, Human capital, Financial profile, marital status, education, culture, family responsibilities, SME programmes and services	Technology and Innovation, Access to capital and terms of lending. Type of business venture, Human capital, Financial profile, marital status, education, culture, family responsibilities, Support framework
Ahl, H.	2006	"Why research on women entrepreneurs needs new directions." <i>Entrepreneurship Theory and Practice.</i>	Support framework, work and family	Support Framework. Family characteristic and responsibilities
Gatewood et al	2003	"Women moving frontiers". A longitudinal study on women entrepreneurship from 1972 to 2001.	Gender, personal attributes, Human capital: education and experience; Demographics, Networks, Inhibiting factors. Public Policy/Government Motivations (aspirations and goals). Founding strategies Initial capital resources (debt, equity, financing). Investment process.	-Support Framework -Economic, -Balanced scorecard (human capital) factors. -Family factors(personal attributes) -age, marital status(demographics) -Constraints.
Wangui, M. L	1997	Performance of Women in the informal sector: A case of enterprises supported with credit.	Family roles Marital status, initial capital, Access to credit and business choice	Family responsibilities, Marital status. Access to capital.
Loscocco, K.A., & Leicht, K.T.	1993	"Gender, work-family linkages, and economic success among small business owners."	Family linkages and economic factors	Family characteristics and responsibilities and economic characteristics.
Mc Cormick	1992	A comparative study on women and men in small scale manufacturing in Eastland of Nairobi.	Finance access and Management	Economic factors
Stoner, C.R., Hartman, R.I., & Arora, R.	1990	"Work-home role conflict in female owners of small businesses: An exploratory	Family responsibilities, life satisfaction, financial health of the business, marital status,	Family responsibilities. Economic characteristics, marital status

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		study.	number of children, and hours worked	
Stevenson, L.	1990	“Some methodological problems associated with researching women entrepreneurs.”	Age, Experience and Education	Age and Education
Neider, L.	1987	“A preliminary investigation of female entrepreneurs in Florida.	Personal and demographic characteristics	Family responsibilities
Longstreth, M., Stafford, K., & Mauldin, T.	1987	“Self-employed women and their families: Time use and socioeconomic characteristics.	Family and socioeconomic characteristics	Family characteristics and responsibilities, socio- cultural characteristics and economic characteristics
Stevenson, L. A.	1986	“Against all odds: The entrepreneurship of women.	Support of marriage partner and family responsibilities	Family responsibilities
Hisrich, R.D., & Brush, C.	1986	“Characteristics of the minority entrepreneur.”	Managerial skills, business characteristics, social characteristics, psychological, educational and occupational characteristics.	Social-cultural characteristics, education and managerial characteristics.
Cox, J. A., Moore, K. K., & Van Auken, P. M.	1984	“Working couples in small business.”	Marital status	Marital status

Source: Researcher, 2012

Appendix 17 Regression Results of all the Nine Independent Variables.

Variables	Coefficient	Std Error	t-Statistic	P-value	Ranking
Family characteristics	-0.24538	0.109756	-2.235686	0.0255**	1
Technology & Innovation	0.22237	0.108046	2.05808	0.0453**	2
Entrepreneurship Skills	0.07903	0.023943	3.30092	0.0019***	3
Social cultural	-0.09067	0.473869	-0.19135	0.0891*	4
Financial management	0.017751	0.003775	4.702252	0.0000***	5
Access to credit	3.44E-05	1.60E-05	2.15	0.0373**	6
Support framework	0.659017	0.495595	1.329749	0.1902	7
Business plan	0.28264	0.466675	0.60564	0.5477	8
Balance scorecard	-0.28341	0.59774	-0.47413	0.6376	9
C	2.147546	1.029564	2.085879	0.0371	
R-squared	0.710819				
Adjusted R-squared	0.617868				
F-statistic	1.997644				
Prob(F-statistic)	0.001309				

* ** *** 10%, 5% and 1% levels of significance respectively.

Source: Researcher, 2012

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