

**EXPLORING THE DYNAMICS OF GENDER BIAS AND
ENTREPRENEURSHIP AMONG SMALL AND MEDIUM
ENTERPRISES IN NAIROBI COUNTY, KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented for examination in another University.

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This research project has been presented for examination with my approval as the University supervisor.

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LIST OF ABBREVIATION AND ACRONYMS

BSRI	Behavioural Sciences Research Institute
CBD	Central Business District
ERS	Economic Recovery Strategy
FFV	Fresh Fruits and Vegetables
GDP	Gross Domestic Product
NGOS	Non-governmental organizations
SACCOS	Cooperative Societies
SME	Small and Medium Enterprises

ABSTRACT

Gender bias is discrimination based on cultural systems of behaviour linked to the sexes which can bring constraints in entrepreneurship. In Kenya, gender differences tend to show a disadvantaged and weaker status of women in social, political, economic, legal, educational and physical spheres. This has been a challenge to the development and overall success of the government of Kenya strategy on the advancement of entrepreneurship. The aim of this study was to establish the influence of gender bias among Small and Medium Enterprises in Nairobi County with emphasis paid to SMEs involved in consultancies, services, products and goods within the CBD (central business district). The study applied descriptive research design in collecting data by use of purposive sampling of 20% of the population of 990 SMEs licensed by the Nairobi City Council in 2016. Primary data was collected for this study through the use of questionnaires. Generated data was analysed using descriptive statistics and inferential statistics with the aid of SPSS (Statistical Program for Social Sciences) Version 20.0 and presented in tables. Findings from the study showed that social capital or networks; access to funding; time for family and business; risk perception or aversion; access to business support; awards of business tenders; and collateral to obtain loans had the greatest effect on entrepreneurship and gender bias. Traditions and beliefs were also found to affect the entrepreneurship with their tendency to formulate issues that affected gender. Family background and benchmarking opportunities had the least impact. The study concludes that gender bias positively and negatively influences entrepreneurship among small and medium enterprises. The study recommends the creation of business networks by entrepreneurs for sharing ideas and useful business linkages. It also recommends review of business development and monitoring programs; women and youth funds; SMEs involvement in aggressive brand promotions and international trade exhibitions. Finally, it recommends enhancement of government policy and regulations around the dedicated provision of public procurement tenders for women, youth and persons with disabilities to ensure that only deserving cases are awarded.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Entrepreneurship as a concept has a couple of meanings. At the highest level, it is taken to mean a person of very high aptitude who pioneers change or someone who works for himself or herself (self-employed). Scholars have observed the positive influence of the field of entrepreneurship on the economies of many countries. Kjeldsen and Nielsen (2000, p.6) observed that the creation of new enterprises was the foundation by which a country became competitive internationally, developed economically, grew jobs and improved living standards. Gender bias is defined as discrimination based on cultural patterns of behaviour linked to the sexes. Gender-based differences have been found to influence both entrepreneurship start-ups and performance.

This study will be anchored on Gender Schema Theory and Theory of Stereotype Threat. The Gender Schema Theory portends that people's assignment of gender results from gender-schematic processing based on cultural denotations of masculinity and femininity (Bem, 1985). However, the theory does not explain the influence of gender stereotypes on entrepreneurship success. The Theory of Stereotype Threat on the other hand assumes that entrepreneurship's always a stereotyped task that influences success of the affected individuals. The intention of most entrepreneurs is assumed to be affected by positive traits that are related with male and negative traits with female (Santos *et al.*, 2010). Therefore, the elimination of bias and stereotypes is

expected to positively influence the success of entrepreneurs especially the Small and Medium Enterprises (SMEs).

In Kenya, the SME sector has the potential of providing gainful employment to millions of people and promoting the country's economy. In the year 2015, out of 814 thousand new jobs created, 714 thousand came from this sector (economic survey 2016). The Sessional Paper No 2 of 2005 recognized the contribution of SMEs in the "creation of decent employment, income generation, promotion of creativity and innovation, and generation of output" in Kenya. The sessional paper also set out to promote gender equity in the sector. According Kithae *et al* (2012), Kenya's target to industrialization by the year of 2030 can only be achieved if the government aids and encourages SMEs to play a major role in providing the additional jobs. For this reason, various government and non-governmental institutions are continually seeking various interventions to promote gender equity and growth of the small business sector.

1.1.1 Gender Bias

Gender bias is discrimination based on cultural systems of behaviour linked to sexes which can bring constraints in entrepreneurship. Most of the imbalances which have been noted in employment procedures and results as well as the pervasive gender bias in the job market, are based on both real and imposed gender- related constraints. These constraints may manifest in a covert and regular manner through organized forms of bias or much openly observed in the operations of influential people and associations. They may also operate as feedback systems that manifest from pre-existing limitations.

Customs and laws cannot be entirely attributed for the discriminatory contracts awards to women farmers in different parts of the world. In Central Guatemala, only 3% of contracts issued by agro-processing firms for growing the main export crops of snowpeas and broccoli were awarded to women. Contract -farming schemes issued contracts to men only in China (Eaton & Shepherd, 2001) while small holder contract-farming schemes in the Kenyan FFV export sector benefited less than 10% of women farmers (Dolan, 2001). The need to secure access to land and labour for a guaranteed supply of produce was the main reason why men were favoured over women. In many parts of the world, women do not have legal rights over land ownership while family labour is mainly controlled by the menfolk.

The current structure of women entrepreneurship has not been addressed by concentrating on the individual women and their business undertakings. Rather, women are blamed for systemic events outside their limits (Bradley, 2007). This goes on to sustain a system of gender ranking where being female is taken femininity is equated with lacking and a male-oriented debate on entrepreneurship is accepted as the benchmark (Foss, 2010).

1.1.2 SMEs (Small and Medium Enterprises) in Kenya

Common entrepreneurships in Kenya also known as ‘Jua Kali’ include: sale of goods and products, public transport, hospitality, farming, hawking, professional services such as lawyers and doctor etc. Most of these undertakings operate as SMEs (Small Enterprises) in towns with most of agricultural activities happening in the country side. Entrepreneurships apply to sections of the population in the country with both genders, from teenage to old age, and at different education levels involved.

Most SMEs are owned and run by family members with a small number of engaged employees mostly immediate relatives and friends. They are normally started with limited funds usually sourced from individual kitty and external borrowings. Some enterprises are inherited from parents and developed into successful businesses by their children. The main sources of borrowed funds for small enterprises are: friends, micro-finance companies, co-operative societies, NGOs, commercial banks, angel investors and venture capitalists. Other recent means of raising capital include: government funds such as Women and Youth funds, Uwezo fund and investment groups (chamas).

The importance of SMEs in the creation of jobs and poverty reduction has been recognized by the state. The government has introduced incentives and programs which are geared towards spurring development of the sector. Some of the programs towards promoting SME growth in Kenya include special groups' funds such as Uwezo and KWFT (Kenya Women Enterprise) funds. In its 7th National Development Plan on Divestiture and the Sessional Paper No. 2 of 2005, the government has outlined policy recommendations to provide an enabling environment for SME market operations. A road map for economic recovery has been provided in the 2003-2007 Economic Recovery Strategy (ERS) for Wealth and Employment Creation. The ERS anticipated creating 0.5 million jobs annually with 88% of the targeted jobs being created in the SME sector. With the paper's estimated SME contribution to GDP and employment at 20 and 72% respectively, the government was aiming at reducing poverty rates from 56.7 to 51.8.

In the 2015-16 national budgets, the government has continued to improve the enabling environment for SMEs. One of the key strategic enablers has been to amend the procurement law to reduce the turnaround time for completion of a public procurement tender to less than 30 days. Following a presidential directive, the special provision for women, youth and persons with disabilities was raised from 10 to 30%. An exclusive preference was made for local suppliers in some priority areas like foodstuffs, furniture, construction materials and motor vehicles. The government also proposes to ease and speed the registration of businesses by reforming the business regulatory framework. This is aimed at expanding economic participation and opportunities for the women, youth and persons with disabilities. In its Vision 2030 blueprint, the government of Kenya proposed the development and creation of at least 5 SME industrial parks under its two Key Flagship Projects for Manufacturing (Vision 2030).

1.1.3 Gender in Kenya

Mills defines gender as culturally assigned patterns of behaviour which may be linked to the sexes. Gender is therefore a set of inferences about the attributes of the biological differences between males and females; inferences that are exhibited in a number of ideas and practices that have a causal impact on the identity, social opportunities and life experiences of the persons involved (Mills, 2008).

A review of gender differences tends to show a disadvantaged and weaker position of women in different aspects of life including: social, political, economic, legal, educational and physical spheres. Gender debates and programs therefore tend to address the identified disparities through prioritising women and girls. In Kenya,

gender relations are constituted by the prevailing ideologies and roles within social structures. They are not uniform and vary from household to household, community to community and in terms of marital status (single, married, separated/widowed).

Kenyan women often find themselves subordinated socially, culturally and economically dependent on men, who are the breadwinners in most families. In particular, young unmarried and widowed women are dependent on parents and male relatives, respectively. Social and cultural motives in Kenya therefore, subordinate and restrict women's access to resources, including control and utilization. In addition, cultural and social stigma is also attached to women's marital status, especially in access to, control over and utilization of resources. For instance, single, widowed and divorced women find themselves with fewer options for economic opportunities (Swarup *et al.*, 2004).

The new promulgated constitution in year 2010 significantly expands the list of protected grounds; Article 27 (3) states that women and men should be treated equally, and should be accorded equal opportunities in social, cultural, economic and political domains. Article 27 (4) prohibits any directly or indirect discrimination against any person on any ground such as "race, sex, pregnancy, marital status, health status, ethnic or social origin, colour, age, disability, religion, conscience, belief, culture, dress, language or birth". The prohibitions of discrimination on grounds of disability and age are additional rights which had not been included in the list of protected grounds in the old Constitution. The new constitution therefore forms basis of laws that aim in gender mainstreaming and equality to opportunities to all irrespective of gender.

1.2 Research Problem

The contribution of entrepreneurship to economic progress, productivity, innovation and job creation is increasingly being acknowledged. Records have shown that economic advancement was mostly facilitated by insightful people who were entrepreneurial, innovative and willing to take risks by exploiting opportunities. The concept and actual operation of entrepreneurship by women is a very recent occurrence and less studied. The practice and research on women entrepreneurship was not widely known until the 1980's. Focus was entirely on men's entrepreneurship.

In Ethiopia, almost 50 per cent of all new employment that was being created in the early 2000's was accredited to SMEs with about 49 per cent of new operational enterprises being owned and run by women (Ethiopia Central Statistics Authority, 2004). Orser and Dyke (2009) studied the analysis of data on 326 SME owners and 545 corporate managers to establish the role of gender and occupation on success benchmarks. They intended to make observations of values on personal and professional discussions with regard to individual dimensions of success. They also sought to establish if men and women viewed success differently; and whether occupational circumstances had any association with success benchmarks. After reviewing 21 studies on dimensions of success, they concluded that the basis of success for both men and women were interpreted as communal, relational, holistic, and authoritative. They went on to conclude that women were perceived to achieve lower levels of success than men since most management studies did not include individual measures of success and gave more emphasis to financial criteria.

According to 2013/2014 Economic Survey, 742,800 new jobs were created in Kenya with the informal sector accounting for 84.3% or 625,900 new jobs. The survey also noted that economic growth was notable in the labour intensive sectors of wholesale, retail and construction which are mostly operated as SMEs. Kiraka, Kobia & Katwalo (2013) observed the critical role of progressive creation of new start-up funds for innovation programs and development of existing enterprises by all sectors in the country to the overall success of the government of Kenya's strategy on the advancement of entrepreneurship and SMEs. They argued that this would eventually promote the economic and social welfare of the underprivileged. While many studies on the determination of success and growth in large corporate firms have been carried out, similar research on entrepreneurship especially in the small business domain are less common or unknown. In the same breath, only a few articles on feminist and gender theoretical approaches to entrepreneurship have found space in the leading entrepreneurship publications (Brush *et al.*, 2009). Jennings and Brush (2013) additionally observed that the funding efforts towards entrepreneurship studies from a gender lens was inadequate and insignificant compared to other studies in spite of notable growth in women entrepreneurship. This study therefore seeks to bridge the research gap that remains by establishing the dynamics of gender bias and entrepreneurship in Nairobi County, Kenya.

1.3 Objective of the study

The researcher was guided by the following research objective: To determine how gender bias influences entrepreneurship among Small and Medium Enterprises in Nairobi County, Kenya.

1.4 Value of the Study

The study will therefore add more information to the existing body of knowledge on how gender bias influences the success of entrepreneurship in Kenya. Additionally, it will provide a basis for which other scholars and researchers can conduct studies on the influence of gender bias on entrepreneurship.

The findings from the study will be of great importance to both potential and practicing entrepreneurs to realize their gender based weaknesses/shortcomings and overcome them to maximize beneficial effects for their businesses. This will influence entrepreneurial competitiveness in the country, enhance growth and help attract more people into the competitive entrepreneurship environment. The results of this study will help demonstrate the significance of implementing gender inclusion strategies in entrepreneurship so as to achieve gender balance.

To the regulators of enterprises in Kenya and policy makers, the study will provide guidance to develop suitable policies and programs with pro-gender services (Business Development Services), processes, procedures and operations that enable maximum growth in entrepreneurship. Based on the findings of the study, policy makers, entrepreneurship promoters, and gender based enterprise funds can devise and implement processes, context and outcomes that will improve gender balance in the future and eventually lead to the success of entrepreneurship in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents studies conducted in an attempt to understand the dynamics of gender bias and entrepreneurship. We also dig deeper in understanding the concept of entrepreneurship and what it entails.

2.2 Theoretical Review

2.2.1 Gender Schema Theory

The gender schema theory was introduced by Sandra Bem to explain how individuals processed gender-associated information through society by way of schemata. She argued that culture's definitions of masculinity and femininity significantly influenced how gender-schematic people processed information, including information about themselves (Bem, 1985). The gender schema theory suggests the interrelatedness of gender related phenomena: gender-personality type, gender attitudes, and gender-related behaviors (Katsurada, 2002). In this regard, gender stereotypes determine the attitudes of individuals in both elections: studies and profession (Gupta *et al.*, 2009).

Although there has been a trend for change in recent years, there are still female and male labeled professions (Ahl, 2006). That is, the stereotyping of occupations by gender is still present in society (Miller & Budd, 1999); expectations and beliefs about the characteristics which menfolk and womenfolk exhibit in their roles determine what are considered the most suitable type of jobs for each gender. Some jobs define their necessary traits in terms of gender and become "men's jobs" or

“women's jobs” (Heilman, 2009). Even today, in the vast majority of cultures and countries, the stereotypes associated with technical work (engineers, surgeons) and professionals such as lawyers are mostly male, whereas those associated with education and community services are mostly female (Mirchandani, 2009).

Meanwhile, entrepreneurship has been traditionally considered a male activity (Bird & Brush, 2002). This analysis of previous literature highlights that the classical view on entrepreneurship is charged with male stereotypes (Javadian, 2014). It is not only the almost unique use of the masculine pronoun but also in the manner by which the entrepreneur is described (Ahl, 2006). Traditionally, the entrepreneur has been associated with the figure of the explorer that discovers new lands; a person close to heroism, a patriarch with above-average qualities that stands up within a Darwinian system (Bruni, 2004). Moreover, in the archetypal entrepreneur outstanding qualities have also been linked to leadership and management: the entrepreneur (who discovers new worlds), the leader (who has control) and the manager (who requires sound management skills) (Czarniawska-Joerg & Wolff, 2001). The successful businessman stereotype has been influenced by the culturally dominant masculine attributes, in which size, growth and other performance measures are leading indicators (Watson & Newby, 2005).

This subordination is demonstrated in the analysis of the discursive practices of research on female entrepreneurship. Ahl (2006), starting with the BSRI proposal, carries out an exhaustive review of the literature on entrepreneurship and collects the adjectives used to define the entrepreneur. She demonstrates that these traits match with those that define masculinity, and also that they are opposed to female

stereotypical traits. While proactivity and risk taking are associated with a masculine symbolic universe, flexibility, adaptability and passivity are connected to a female universe (Ahl, 2006; Wilson, 2010).

2.2.2 Theory of Stereotype Threat

Based on the Theory of Stereotype Threat, (Steele, 1992, 1997) when individuals detect a mismatch of their own attributes and those related to a stereotyped activity, the objectives of carrying out such a task are reduced. In other words, the perceived threat causes a negative evaluation on one's own abilities and the lack of support from the environment is also detected (Gupta & Bhawe, 2007). This could be the case of entrepreneurial intention. If, as discussed above, the entrepreneur's positive traits are related with male and negative traits with female, (Santos *et al.*, 2010) women entrepreneurial intention will be influenced by stereotype threat. The threat only operates when the individual is vulnerable and self-perceived as belonging to the group which bears the negative traits (Steele, 1997). The relationship between the intention to create a company and the sex of individuals has been widely studied in the literature on entrepreneurship (Wilson, 2012).

Indeed, intention toward a particular behaviour has often been demonstrated to be the best predictor of that behaviour. This literature shows that even when entrepreneurial intention levels presented by women are high (although lower than those of their male counterparts); the number of women who create their own business is lower than their male counterparts, resulting in the known gap in statistics.

Literature has shown that this difference is partly due to the perception of a lesser ability to carry out the role of business owner and to the experience of receiving less support from social environment (Nwankwo, 2012). For women, there is a direct relationship between the level of confidence in the ability to detect an opportunity and the creation of a new business (Javadian, 2014). In fact, the clear identification that still exists between the entrepreneur and the male stereotype reduces the female entrepreneurial intention (Gupta & Bhawe, 2007).

2.3 Gender bias in entrepreneurship

While there's need to understand the established challenges, barriers and obstacles that women entrepreneurs face, it's critical to apply a more feminist theoretical approach to the gender gap in entrepreneurship. This would help in fully understanding the opportunities and choices that entrepreneurs make in developing countries like Kenya. This would help in fully understanding the opportunities and choices that entrepreneurs make in emergent nations like Kenya. Various researchers on feminist studies have argued that the field of research in women entrepreneurship is limited as well as inadequate. According to Calas, Smircich and Bourne (2009), the individualistic and economic proposition of entrepreneurship studies is too narrow and would need new approaches or a different framework. They contend that the gender divide in entrepreneurship will linger on as long as the prevailing conditions that influence the status of entrepreneurship are not challenged. Entrepreneurship's real potential for social and economic change will only occur when its context is reframed.

Feminist scholars have argued that most entrepreneurship research ignore possible efforts, solutions and results for closing the gender gap by; i) focusing in a discussion of individualism versus economic growth; ii) leaving intact the power systems that set structural obstacles to women's entrepreneurship; iii) applying a general gender perspective that does not challenge the patriarchal society. Below, we provide a more detailed breakdown of these observations before digging deeper into the potential ramifications for more studies in women's entrepreneurship plus advancement models and supports scheme that match a feminist angle.

Ahl (2006) argues that the prevalent debate on modern trends that emphasizes progress on the growth and expansion of the economy fits very well with the expectations of women entrepreneurship. She criticizes individualism in entrepreneurial research in that most of the research is centred on the personalised woman entrepreneur and factors affecting her undertaking without acknowledging pre-existing circumstances and other factors beyond the economic scope such as politics, legislation, and traditions. "It is as if the future of the business depends solely on the individual" (Ahl, 2006). Solutions proposed to overcome challenges that women face are still focused on the individual despite the existence of organizational obstacles including bias against women in accessing business development services, accessing funds and contracts awards. Ahl (2006) contends that in most cases the individual woman entrepreneur is educated to enhance her networking or leadership skills and supported through policies and entrepreneurship programs but her context is left unchanged.

As a dominant discourse, most of the entrepreneurship studies do not treat the gap in gender as a challenge to the growth of the economy individual woman is expected to seek solutions without any political or social support; while ignoring the push or justification for structural reform on gender equality. The gap in gender is considered like a case of different opportunities arising from obstacles or challenges faced by the women involved plus their business undertakings. If the obstacles or challenges can be eliminated, both genders have a level playing ground and entrepreneurship can be expected to thrive. For example; it has been observed that fewer women than men manage and run own enterprises partly due to low levels of education and lack of access to capital. A majority of entrepreneurship projects therefore recommend business education and funding for the untaught and underprivileged ones as a solution for the gap in gender (Win, 2007). However, the gender divide in entrepreneurial undertakings does not purely hinge on factors such as level of education and funding but arise from more complex structural and governance issues in the gendered context of entrepreneurship (Ahl, 2006).

2.4 Perspectives on gender

According to Harding (1987), the approaches on gender that are mainly used in entrepreneurial studies could be grouped into three. The first supposes that women and men have the same and equal capability to think logically. Here, the divide in gender in entrepreneurial undertakings is characterized by bias against female and male controlled systemic obstacles such as unmatched access to capital to start businesses and growth funding (Ahl, 2006). The argument for elimination of bias and other barriers is therefore justified.

The second perspective says that women and men are adjudged the same yet they are dissimilar with diverse attributes or capabilities which are variously evaluated in their societies. Studies which apply this approach consider women's feminist attributes as gains or underexploited assets which societies should utilize (Harding, 1987).

Feminist scholars have however criticized these two perspectives for equating gender to sex and thereby reinforcing discrimination in society based on gender. The scholars have suggested a third approach to the studies on gender that challenges the existing system of structures, institutions, relations, customs, values and practices in the society as a whole irrespective of the argument on the similarity, equality or differences in men and women.

2.5 Empirical Review

Recent findings reinforce support and value for our gender integrated notion of gender-neutral allusion; communication and expectation for a model entrepreneur; entrepreneurial capabilities and qualities. Gupta, Gotkan and Gunay (2014) carried out separate managed tests in the United States and Turkey where they observed that both male and female subjects assess entrepreneurship opportunities favourably in equal measure when the business subjects were represented without gender traits. They also established that gender variances in opportunity assessment got manifested if entrepreneurs were assigned male traits but changed in the women's favour when entrepreneurship was assigned feministic stereotypical characteristics (Gupta *et al.*, 2013).

Baron, Markman, and Hirska reviewed a psychology lab experiment that involved picture profiles of women which were presented to males and females alike. They observed that women were rated as less appealing if they were presented as business administrators while the appeal improved if they presented as entrepreneurs. The scholars deduced that individual women received entrepreneurship amplification through a male-oriented proficiency capability acquisition plus a minimization of their “feminine liability” in entrepreneurship. They concluded that women would gain more than their male counterparts if they were to get entrepreneurship posts based on perception by persons who are not known to them (Baron *et al.*, 2001). The observations advance the argument gender based view of entrepreneurs most of the time affected their critical engagements with financiers, clients, employees and suppliers with such discernment potentially affecting the individual’s chances in creating new enterprises (Baron *et al.* 2001).

In a compelling remedy to gender-based discrimination in entrepreneurship, Gupta, Turban, and Bhawe (2008) relied on the stereotype activation theory (SAT) in proposing that stereotype elimination or the intentional association of entrepreneurship with unbiased gender attributes could nullify the gender divide within entrepreneurial motives. (Gupta *et al.*, 2008: 105). Researchers have noted that such stereotype elimination would minimize the emotional burden brought about by the gender stereotypes and that the elimination thereof is very key considering its prevalence (Gupta *et al.*, 2008; Smith and White, 2002; Smith and Johnson, 2006).

The theory backed assumptions and observations from experiments support the need for further research and suggestions for improvement. Specifically, functional elimination of the pervasive masculinized stereotyping of entrepreneurship attributes and actions stereotyped as feminine plus gender neutral threatens to disrupt the thoroughly-chronicled gender divide in entrepreneurship.

Researchers have identified that gender nullifying mechanisms are very important to successful entrepreneurs, with Sweida and Reichard (2013) arguing that women experience dual stereotypes. The first stereotype involves a section of industries which are said to maintain embedded male stereotypes while the second states that entrepreneurship is a highly masculinized field. The scholars also observed that women's motives to pursue high-growth venture start-ups could be boosted through the reduction of male-oriented stereotype obstacles that permeate high-growth entrepreneurships as well as promotion of women's progressive entrepreneurial effectiveness (Sweida & Reichard, 2013). All researchers engaged in academia have a role to play in ensuring that elements of gender bias are nullified and gender parity achieved through extensive research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the process that was used to collect information and data for the purpose of supporting the concepts and theories included in the study. It will provide a deeper insight into the entrenched concept of gender bias in the County of Nairobi, Kenya. The outcome of the research was aimed at finding solutions to any prevailing gender bias in entrepreneurial intentions and engagements.

3.2 Research Design

The research design that was employed is descriptive research and was aimed at depicting elements and dynamics of gender bias in entrepreneurship. Descriptive research is the process of collecting data in order to answer questions concerning the current status of the subjects in the study. It determines and reports the way things are and attempts to describe such things as possible behaviour, attitudes, practices and characteristics (Mugenda & Mugenda, 2003). Descriptive research was preferred since it allowed the generalization of the findings to a larger population. Aspects of qualitative research were used through observation.

3.3 Population

According to Bryman and Bell (2011), a population is the entire group of people, events, or objects of interest that a researcher wishes to investigate. It is a complete set of elements that possess some common characteristic defined by the sampling criteria established by the researcher. It forms the basis from which the sample or

subjects were drawn. For this particular study, the target population was 990 SMEs licensed by Nairobi City County in 2016.

3.4 Sample Design

Gay (1976) suggests that a sample of 20% of the population is adequate though he notes that the larger the sample the better. The researcher opted for the recommended sample of 20% by use of purposive sampling to achieve high response rates and to enhance sample representation of the population. The numbers of respondents was derived by calculating 20% of the total number of SMEs entrepreneurs from Nairobi CBD (Central Business District).

Simple random sampling was then used to sample 86 out of 420 SMEs entrepreneurs dealing with consultancy and service industry while 112 sample out of 530 SMEs entrepreneurs dealing with product and goods industry. In random sampling all the respondents will have equal chances of being selected.

Stratified sampling ensures that specific groups are represented, even proportionally, in the sample(s) (e.g., by gender), by selecting respondents from strata list. Sampling size is the extent or number of items, individual or objects chosen for research to act as representation of the population as a whole. The criterion used was to select samples from entrepreneurs running small enterprises with salaried employees and with a turnover of at least KShs.5m.

Table 3.1: Sample Size

Nature of SMEs	Target Population	Percentage	Sample
Consultancy and Service industry	430	20%	86
Product and Goods industry	560	20%	112
Total	990	20%	198

3.5 Data Collection

Primary data was collected for the purpose of this study. Primary data is the data collected afresh for the first time as opposed to secondary data which is data that has already been collected and passed through a statistical process. Structured questionnaires were distributed amongst the respondents to collect data. The problem and specific study objectives are defined by the questionnaire design since questionnaires yield quantitative data that can be collected with ease and analysed (Mugenda & Mugenda, 2003). This study applied both structured and unstructured questions.

A data collection letter was obtained from the University to indicate that the study is for academic purpose only. Drop and pick method was used in the administration of questionnaire. Telephone interviews were applied in a few cases where there were time constraints.

3.6 Data Analysis

The study generated both quantitative and qualitative data. The analysis was done using descriptive statistics and inferential statistics. SPSS (Statistical Program for Social Sciences) Version 20.0 was used to obtain coefficients. Descriptive statistics refers to analysis of data that helps describe, show or summarize data in a meaningful way that enables for example, patterns to emerge from the data. Inferential statistics on the other hand, are concerned with making predictions or inferences about a population from observations and analysis of a sample. The descriptive statistics employed for this study included measures of central tendency (mean and mode), measures of spread (standard deviation), and percentages. The statistics were then displayed in table formats.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study in determining how gender bias influences entrepreneurship among Small and Medium Enterprises in Nairobi County, Kenya. The chapter contains: the response rate, basic information and the findings on how gender bias influences entrepreneurship among Small and Medium Enterprises in Kenya.

Data was analysed using descriptive statistics and summarized in various frequency tables. With the help of SPSS version 21 statistical software, the data was analysed using; mean scores, standard deviations, and coefficients of variation. The factors were ranked in order of importance, the correlation between them yielded the key factors that loaded most on the components and therefore had the greatest impact on business growth.

4.2 Response Rate

A total of one hundred and ninety eight (198) questionnaires were administered to randomly selected SMEs entrepreneurs from Nairobi central business district. One hundred and fifty six (156) of these questionnaires were returned representing a response rate of 78.79 percent. A response of 78.79% is adequate and represents a good sample for study. According to Mugenda and Mugenda (2003), 50 per cent response rate is just enough for analysis and final report; 60 per cent response rate is better but over 70 per cent response rate is highly recommended. The results are presented in Table 4.1.

Table 4.1: Response rate

Response	Frequency	Percentage
Responded	156	78.79
Not responded	42	20.21
Total	198	100.0

Source: Research data (2016)

4.3 Demographic Information

The demographic characteristics of the respondents tested were: age, level of education, gender, the nature of organization, number of employees and annual turnover of the organization was also tested.

4.3.1 Age of respondents

The study sought to establish the age of the respondents; the results are shown in table 4.2

Table 4.2: Age of Respondents

Age	Frequency	Percent
20-30 yrs	5	3.2
31-40 yrs	49	31.4
41-50 yrs	78	50.0
51yrs and above	24	15.4
Total	156	100.0

According to the findings in table 4.2, majority (50%) of the respondents who are SME entrepreneurs were aged 41 to 50 years, 31.4% of the respondents were aged 31 years to 40 years, 15.4% of the respondents were aged 51 years and above while 3.2 % of the respondents were aged 20 to 30 years. From these findings we can deduce that the majority of the respondents were of age and therefore gave reliable information.

4.3.2 Level of Education

The study sought the highest level of education; the results are displayed in Table 4.3.

Table 4.3: Level of Education

Gender	Frequency	Percent
Secondary	40	15.6
College	56	35.9
University	32	12.5
Postgraduate	13	5.1
Total	156	100.0

According to the findings, majority 35.9% of the respondents indicated college as their highest level of education, 15.6% of respondents indicated secondary level of education, and 12.5% indicated they had university level of education, while 5.1% indicated Postgraduate level of education. 15 respondents or 9.6% did not mark any of the options indicating they might not have gone beyond primary school. From these findings we can deduce that most of the respondents had attained good level of education and therefore understood the questionnaire and interviews to give credible information which informed the study.

4.3.3 Gender of the Respondents

The study sought to investigate the gender of the respondents. The results are shown in Table 4.4.

Table 4.4: Gender of Respondents

Gender	Frequency	Percent
Male	93	59.5
Female	63	40.5
Total	156	100.0

Source: Researcher data (2016).

The results in table 4.4 indicate that most of the respondents (59.5%) were males while the number of female respondents was 40.5%. The findings thus affirm the fact that the opinions given are fairly representative of both genders with regard to how gender bias influences entrepreneurship among Small and Medium Enterprises in Nairobi County, Kenya.

4.3.4 Nature of Organization

The study sought the nature of organization. The results are depicted in Table 4.5.

Table 4.5: Nature of Organization

Nature	Frequency	Percent
Consultancy	33	20.2
Service	47	30.5
Goods and Products	76	49.3
Total	156	100.0

Source: Research data (2016)

From table 4.5 it is clear that most of the respondents (49.3%) were Goods and products SMES followed by service (30.5%) and finally consultancy at 20.2%. From these findings, the gender dynamics were not biased and respondents gave credible information with experiences from diversified sectors.

4.3.5 Number of employees in the organization

The respondents were requested to indicate the number of employees engaged in their businesses. The responses are displayed in table 4.6.

Table 4.6: Number of Employees

Nature	Frequency	Percent
1-9	5	3.31
10-49	100	64.1
50 employees and above	51	32.69
Total	156	100.0

From the findings in table 4.6, 64.1% the respondents indicated 10-49 employees, 32.69% of the respondents indicated 10-49, 32.69% of the respondents indicated that their organization had 10-49 employees. From these findings we can deduce that the respondents came from organizations with good number of employees and they were able to understand the dynamics of gender.

4.3.6 Annual turnover in 2015

The annual business turnover of the respondent has significant information on gender dynamics. In this context, the study sought to determine the annual turnover of the various SMES, which the respondents operated. The results are shown in Table 4.7.

Table 4.7: Annual Turnover

Annual turnover	Frequency	Percent
Kshs 5-20m	48	30.5
More than Kshs 20m and upto 50m	71	45.5
More than Kshs 50m	37	24.0
Total	156	100.0

Source: Research data (2016).

The findings in Table 4.7 show that 45.5% of the respondents had an annual turnover of more than Kshs. 20m and upto 50m. On the other hand, 30.5 percent of the respondents had 5-20m while 24% have annual turnover more than Ksh.50m. This clearly implies that the respondents were working in operational SMEs and therefore in a position to understand the various dynamics of gender in their organizations.

4.4 Gender Bias in Entrepreneurship

The respondents were requested to rate various factors affecting factors affecting entrepreneurship among Small and Medium Enterprises.

Table 4.8: Gender Bias in entrepreneurship

	N	Mean	Std. Dev.
Family background	156	3.1786	.80705
Traditions and beliefs	156	4.3071	.83015
Gender	156	4.6429	.98384
Age	156	3.5214	.72039
Level of education	156	3.5929	.30795
Entrepreneur's Innovativeness	156	3.5471	.19574
Personal Traits	156	3.6712	.14989
Motives of starting a business	156	3.5643	.14559

Note: The respondents were asked questions on the extent to which various factors affecting factors affecting entrepreneurship among Small and Medium Enterprises on a Likert scale of 1-5 where: 1 = Very small extent; 2= Small extent; 3= Moderate extent; 4= Large Extent; and 5= Very Large Extent.

Going by the findings in Table 4.8, gender affected entrepreneurship to a very great extent with a mean of 4.6429, traditions and beliefs affected entrepreneurship to a great extent with a mean of 4.3071, family background affected entrepreneurship to a small extent with a mean of 3.1786, level of education affected entrepreneurship to a great extent with a mean of 3.5929. entrepreneur's innovativeness affected entrepreneurship to a very great extent with a mean of 3.5471 and standard deviation 0.19574, personal traits affected entrepreneurship to a great extent with a mean of 3.6712 and standard deviation 0.14989, motives of starting a business affected

entrepreneurship to a large extent as represented by a mean of 3.5643 and standard deviation 0.14559.

4.5 Other perspectives of Gender

The respondents were requested to rate other various factors affecting factors affect entrepreneurship among Small and Medium Enterprises. The results are displayed in table 4.9.

Table 4.9: Other perspectives of Gender

	N	Mean	Std. deviation
Benchmarking opportunities	156	3.4013	0.28726
Social capital/networks	156	4.0962	0.85594
Time for family and business	156	3.8590	0.19919
Access to funding	156	4.1923	0.69203
Risk perception/aversion	156	3.8013	0.28726
Access to business support	156	3.9201	0.00287
Access to markets	156	3.5808	0.65718
Awards of business tenders	156	3.6482	0.7677
Collateral to obtain loans	156	3.5462	0.9861

Note: The respondents were asked questions on the extent to which other factors affect entrepreneurship among Small and Medium Enterprises on a Likert scale of 1-5 where: 1 = Very small extent; 2= Small extent; 3= Moderate extent; 4= Large Extent; and 5= Very Large Extent.

Going by the findings in Table 4.9, social capital/networks affected entrepreneurship to a great extent with a mean of 4.0962 and standard deviation 0.85594, benchmarking opportunities affected entrepreneurship to a moderate extent with a mean of 3.4013 and standard deviation 0.28726, time for family and business affected entrepreneurship to a great extent with a mean of 3.8590 and standard deviation 0.19919, access to funding affected entrepreneurship to a great extent with a mean of 4.1923 and standard deviation 0.69203, risk perception/aversion affected entrepreneurship to a great extent with a mean of 3.8013 and standard deviation 0.2876. access to business support affected entrepreneurship to a great extent with a mean of 3.9201 and standard deviation 0.00287, awards of business tenders affected entrepreneurship to a great extent with a mean of 3.6482 and standard deviation 0.00287 and collateral to obtain loans affected entrepreneurship to a great extent with a mean of 3.546 and standard deviation 0.09861.

Table 4.10: Gender bias in Entrepreneurship- Effect on male and female

	Frequency	Percentage (Male)	Percentage (Female)	Total
Benchmarking opportunities	156	34	66	100
Social capital/ networks	156	41	59	100
Time for family and business	156	28	72	100
Access to funding	156	56	44	100
risk perception/ aversion	156	42	58	100
Access to business support	156	62	38	100
Access to markets	156	24	76	100
Awards of business tenders	156	46	54	100
collateral to obtain loans	156	31	69	100
family background	156	68	32	100
traditions and beliefs	156	14	86	100

Note: The responses were ranked depending on the impact on male and female respondents.

Going by the findings in Table 4.10, benchmarking opportunities, time for family and business, access to markets, collateral to obtain loans, traditions and beliefs affected female entrepreneurship to a greater extent; social capital/networks, risk perception/aversion, and awards of business tenders affected female entrepreneurship to a moderate extent; while access to funding, access to business support, and family background affected male entrepreneurship to a moderate extent.

4.6 Discussion of the findings

4.6.1 Comparison with Theory

The findings concur with the Theory of Stereotype Threat, (Steele, 1992, 1997) that states when individuals detect a mismatch between their own characteristics and those associated with a stereotyped task, the intentions of carrying out such a task are reduced. In other words, the perceived threat causes a negative evaluation on one's own abilities and the lack of support from the environment is also detected (Gupta & Bhawe, 2007). This could be the case of entrepreneurial intention. The stereotypes in the SMEs are prevalent as established by the study through analysis of factors that affect entrepreneurship.

Going by the findings of the study, factors that affected entrepreneurship intention to a great extent include: social capital or networks; access to funding; time for family and business; risk perception or aversion; access to business support; awards of business tenders; and collateral to obtain loans. The traditions and beliefs were found to affect the entrepreneurship with their tendency to formulate issues that affect gender.

The findings also affirm the Gender Schema Theory (Bem, 1985) which states that people's gender typing is as a result of gender-schematic processing. The theory states that people tend to process information; including information about themselves, according to the culture's definitions of masculinity and femininity. Findings from this study indicate that factors associated with gender scheming including: traditions and beliefs; gender; age; level of education; entrepreneur's innovativeness; personal traits; and motives to starting a business; affect entrepreneurship to a great extent. This

confirms that entrepreneurial intention is affected by factors that have been culturally associated with masculinity or femininity.

4.6.2 Comparison with other Studies

While most of the findings concur with other studies, the study found that absence of benchmarking opportunities affected entrepreneurship to a moderate extent, however studies by Baron (2001) indicate that decisions made in entrepreneurship can lead to bias in decision making in entrepreneurship. Baron and others also argued that individual women received entrepreneurship amplification through a male-oriented proficiency capability acquisition plus a minimization of their “feminine liability” in entrepreneurship. They concluded that women would gain more than their male counterparts if they were to get entrepreneurship assignments based on perception by persons who are not known to them (Baron *et al.*, 2001:926).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The main objective of the study was to determine how gender bias influences entrepreneurship among Small and Medium Enterprises in Nairobi County, Kenya. This chapter presents; the summary of the findings, conclusions and recommendations of the study.

5.2 Summary of the findings

The study established that gender bias indeed affected entrepreneurship to a great extent. According to the findings, the gender perceptions culminated from family background and traditional beliefs. The way an entrepreneur is raised and their social status was found to have an influence on entrepreneurship. Families that appreciate gender equality will lead to both genders having equal opportunities in entrepreneurship.

With regards to personal traits and innovativeness the study found that personal traits affected entrepreneurship to a great extent. Personal traits will also determine the inherent leadership qualities vital for success of entrepreneurs. The personal traits however are not influenced by gender since these are deemed inborn. The innovativeness of an individual will determine business ideas vital for entrepreneurship growth. With regards to others factors affecting entrepreneurship, the study found that social capital/networks affected entrepreneurship to a great extent. Gender bias influences women lack of collateral to access funding for their enterprises.

5.3 Conclusion

From the study, most of the respondents concur that gender bias influences entrepreneurship among Small and Medium Enterprises. The study concludes that family background, traditional beliefs, social capital/networks affected entrepreneurship, access to funding affected entrepreneurship, collateral to obtain loan, and entrepreneur's innovativeness affected entrepreneurship among Small and Medium Enterprises.

5.4 Recommendations

The study found that most of the Small and Medium enterprises are affected by gender bias in their operations. The findings thus underscore the need for Kenyan firms to embrace gender equality and affirmative action if they are to create a thriving and conducive business environment. The study recommends the creation of business networks by entrepreneurs for sharing ideas and useful business linkages. There's need for business owner's to implement operational structures that support proper work-life balance for themselves and their employees.

Policy recommendations include: designing effective business development and monitoring programs; remodelling the women and youth funds streams towards more individual lending and increase of loans allocations to match likelihood of growth. Other recommended interventions include: SMEs involvement in aggressive brand promotions, "Buy Kenya, Build Kenya" for the domestic market and enough slots at regular international trade exhibitions.

Finally, the government should enhance the policy and regulations around the dedicated provision of public procurement tenders for women, youth and persons with disabilities to ensure that only deserving cases are awarded. With relation to innovation, risk perception and business growth, there's need for improved field level trainers. All these recommendations propose to nullify the impact of gender bias on small and medium enterprises in Kenya.

5.5 Limitations of the Study

The study sought to investigate how gender bias influences entrepreneurship among Small and Medium Enterprises in Nairobi County. It is clear that a study of this magnitude should have included more SME segments and the Micro Enterprise sector. However, the period allowed in completing the study plus the cost of collecting data could only permit the study to be concentrated on SMEs in Nairobi CBD (Central Business District). The study period was a little bit inadequate to complete the research satisfactorily with the researcher having to balance his official employment and the study's field-work especially during data collection.

Some of the respondents were non-committal posing major challenge in the field during the data collection costing the researcher since he had to do a lot of data editing after field work. Despite these challenges the quality and validity of the findings established from this investigative study cannot be compromised.

5.6 Suggestions for further Research

Studies involving confirmatory analysis will need to be carried out to further test the results established and to confirm the findings of the study. Further studies can be conducted to test and confirm the other factors leading to gender bias in other sectors of the economy.

In the same context, there is need for further research to focus on the challenges faced by women entrepreneur's other sectors in Kenya. The needs for further research into aspects of women entrepreneurship are further compounded by the fact women have faced bias and other forms of discrimination in the past.

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APPENDICES

Appendix I: Introduction Letter

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: REQUEST FOR PARTICIPATION IN A RESEARCH STUDY

I am a student at the University of Nairobi carrying out a research project as part of the course requirement for the award of the Degree of Master of Science in Entrepreneurship and Innovations Management. This study seeks to explore the dynamics of gender bias and entrepreneurship among small and medium enterprises in Kenya.

The findings from the study will be treated in confidence and for academic purpose only. Your name or that of your organization will not appear anywhere in the final report. Your honest participation will be highly appreciated.

Yours faithfully,

John Gachie

Student Reg. No. D66/70892/2014

Appendix II: Questionnaire

This is an academic study assessing, ‘The Dynamics of Gender Bias and Entrepreneurship among Small and Medium Enterprises in Kenya’. The information requested herewith is for use to meet academic requirements only and shall be treated with utmost confidentiality. The information shall not be disclosed to the government, potential competitors or any authority and no form of victimization shall be levelled on the informant for information shared. Kindly tick your responses against each question in the spaces provided.

SECTION A: Background Information

1. Indicate your age bracket

20-30 yrs []

31-40 yrs []

41-50 yrs []

51yrs and above []

2. State your highest level of education

Primary []

Secondary []

College []

University []

Postgraduate []

3. Indicate your gender

Male []

Female []

4. What is the main activity of your enterprise?

Consultancy []

Service []

Goods and Products []

5. How many persons does your enterprise currently employ in full time or part time?

1-9 employees []

10-49 employees []

50 employees and above []

6. What was the annual turnover of your enterprise in 2015?

Kshs 5-20m []

More than Kshs 20m and upto 50m []

More than Kshs 50m []

SECTION B: The influence of gender bias and entrepreneurship among Small and Medium Enterprises in Kenya

Gender Bias in Entrepreneurship

1. To what extent do the following factors affect entrepreneurship among Small and Medium Enterprises? (Where: 1=No extent at all, 2=low extent, 3=moderate extent, 4=great extent, 5=very great extent)

	1	2	3	4	5
Family background					
Traditions and beliefs					
Gender					
Age					
Level of education					
Entrepreneur's Innovativeness					
Personal Traits					
Motives of starting a business					

Other perspectives of Gender

2. To what extent do the following factors affect entrepreneurship among Small and Medium Enterprises? (Where 1=No extent at all, 2=low extent, 3=moderate extent, 4=great extent, 5=very great extent)

	1	2	3	4	5
Benchmarking opportunities					
Social capital/networks					
Time for family and business					
Access to funding					
Risk perception/aversion					
Access to business support					
Access to markets					
Awards of business tenders					
Collateral to obtain loans					

END.

Thank you for your time and effort.