

**DETERMINANTS OF THE PERFORMANCE OF SOCIAL
ENTREPRENEURSHIP FIRMS IN KENYA**

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DECLARATION AND APPROVAL

I, the undersigned, declare that this is my original work and has not been submitted for any academic award in any institution.

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This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this research project to my entire family who gave me invaluable moral support throughout the period.

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I convey my hearty thanks to members of my family, colleagues and friends without whose immense support; I would not have made it this far in the world of academia. I am forever grateful to the entire student fraternity at the University of Nairobi whose knowledge wells and comradeship throughout my stay has intellectually made me better.

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ABSTRACT

Though social entrepreneurs have increasingly been recognized for handling the ecological, economic and social difficulties of our times, there lacks the knowhow of this line of entrepreneurs and the imminent issues affecting their activities. An example at hand is the way for identification, recognition and utilization of opportunities in the creation of the social value is a matter that is not well understood. The purpose for this research piece of work is to assess the determinants of performance of social entrepreneurship firms in Kenya. This research study made use of a descriptive research design. The study population being 448 employees of Iko toilet and Care Kenya.⁷⁹ was the chosen sample using the stratified random sampling by the help of R software. The raw data obtained from the field was sorted, coded, scrutinized, organized and edited to enhance accuracy and hasten analysis by the help of SPSS (Statistical Package for Social Sciences). SPSS assisted in summarizing the data descriptively using frequencies, percentages, means and standard deviation. Inferential statistics were performed by the spearman's rank correlation and regression analysis to test the relationship between the dependent and independent variables. Correlation analysis was used to establish the inter-relation amidst the variables while linear regression, used to find out the degree of the relationship amidst the dependent and independent variables. Multiple regressions were employed in the determination as to whether the combined effect of the independent variables can predict a research gap in the study. The study concluded that financial access, entrepreneurial culture, management and technology have an affirmative and significant relationship with performance of social entrepreneurship firms. The study recommends that the government should formulate measure to ensure that social entrepreneurship firms are facilitated to gain financial access. In addition the banking institutions should prolong the loan repayments periods so that the entrepreneurship firms can get enough financial access.

TABLE OF CONTENT

DECLARATION AND APPROVAL.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
LIST OF TABLES	x
LIST OF FIGURES	xi
ABBREVIATIONS AND ACRONYMS.....	xii
DEFINITION OF TERMS.....	xiii
CHAPTER ONE	1
INTRODUCTION.....	1
1.1Background of the Study	1
1.1.1 Social Entrepreneurship.....	2
1.1.2 Performance of Social Entrepreneurship Firms.....	4
1.1.3 Social Entrepreneurship in Kenya	6
1.2 Research Problem	7
1.3 Research Objective	8
1.4 Value of the study	8
CHAPTER TWO.....	10
LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Theoretical Review	10
2.2.1 Social Entrepreneurship Theory	10
2.2.2 Financial Liberalization Theory.....	11

2.3 Empirical Review	12
2.3.1 Financial Access and the Performance of Social Entrepreneurship Firms.....	12
2.3.2 Entrepreneurial Culture and performance.....	14
2.3.3 Management and the Performance of Social Entrepreneurship Firms	16
2.3.4 Technology and the Performance of Social Entrepreneurship Firms	17
2.4 Previous Studies and Knowledge Gaps	18
2.5 Conceptual framework.....	19
CHAPTER THREE	20
RESEARCH METHODOLOGY	20
3.1 Introduction.....	20
3.2 Research Design.....	20
3.3 Population of the Study.....	20
3.4 Sample Size and Technique	21
3.5 Data Collection	22
3.6 Data Analysis	23
3.6.1 Research Model	23
CHAPTER FOUR.....	25
ANALYSIS, RESULTS AND DISCUSSIONS.....	25
4.0 Introduction.....	25
4.1 Response Rate	25
4.2 Demographic Characteristics	25
4.2.1 Gender of the Respondents.....	26
4.2.2 Age of the Respondents	26
4.2.3 Marital Status.....	27

4.2.4 Level of Education.....	28
4.2.5 Number of years worked in the Firm.....	29
4.3 Descriptive Statistics.....	29
4.3.1 Financial Access	29
4.3.2 Entrepreneurial Culture	31
4.3.3 Management	33
4.3.4 Technology	35
4.3.5 Performance of Social Entrepreneurship Firms.....	37
4.4 Inferential Statistics	39
4.4.1 Correlation Analysis	39
4.4.2 Regression Analysis	40
4.5 Discussions and Interpretation of the findings.....	42
CHAPTER FIVE	44
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	44
5.1 Introduction.....	44
5.2 Summary	44
5.2.1 Financial Access	44
5.2.2 Entrepreneurial Culture	45
5.2.3 Management	45
5.2.4 Technology	46
5.3 Conclusion	46
5.4 Recommendations of the Study	47
5.5 Limitations of the Study.....	48
5.6 Suggestions for Further Studies	48

REFERENCES.....	50
APPENDICIES	56
Appendix (I): Introduction Letter	56
Appendix (II): Questionnaire.....	57

LIST OF TABLES

Table 3.1: Target population.....	21
Table 3.2: Sample	30
Table 4.1: Response rate	33
Table 4.2: Financial Access	38
Table 4.3: Entrepreneurial Culture	40
Table 4.4: Management.....	42
Table 4.5: Technology	36
Table 4.6: Performance of Social Entrepreneurship Firms.....	46
Table 4.7: Correlational Analysis	48
Table 4.8: Model Fitness.....	49
Table 4.9: Analysis of Variance.....	50
Table 4.10: Regression of Coefficients.....	50

LIST OF FIGURES

Figure 2.1: Conceptual Framework	27
Figure 4.1: Gender of the Respondents.....	34
Figure 4.2: Age of the Respondents.....	35
Figure 4.3: Marital Status	36
Figure 4.4: Level of Education	36
Figure 4.5: Number of years worked in the Firm	37

ABBREVIATIONS AND ACRONYMS

BMZ	Federal Ministry for Economic Cooperation and Development
EO	Entrepreneurial Orientation
GDP	Gross Domestic Product
IT	Information Technology
NGOs	Non-Governmental Organizations
ROA	Return on Assets
SE	Social Enterprise'
SMEs	Small Medium Enterprises
SPSS	Statistical Package for Social Sciences
UN	United Nations

DEFINITION OF TERMS

Entrepreneurial culture	Is a surrounding where one is enticed or motivated to innovate, generate and tackle risks. Hence the employees are supported to brainstorm new ideas or services.
Financial access	is as a precondition for performance financially, is one of the influences which can bring about widespread development economically (Cracknell, 2012)
Management	The coordination and organization of business activities to attain definite goals and objectives
Performance	Actual output of the firm or organization. For this study it will be considered as the output or results of social enterprises
Social entrepreneurship	Entails the application of business acumen to generate enterprises with capabilities to perform social purposes including being commercially feasible (Emerson & Twersky, 1996)
Technology	The use of scientific knowhow for purposes those are practical especially in industry.

CHAPTER ONE

INTRODUCTION

1.1Background of the Study

The persistence of poverty, unemployment and the absence of basic welfare of millions mark large parts of the African continent. In their search for better standards of living and eagerness for proper development, institutions like the World Bank, UN in addition to the bilateral donors increasingly do regard development of private sector towards solving a number of the developing world and continents' problems (Hansen, Tvedten & Jeppesen, 2012). As a section of the initiative driven by the private sector, a wide span of business/ventures hybrid models have emerged in recent years, thus seeking combining the innovativeness and efficiency of commercial enterprises with the much desired availability of progressive goods including welfare, jobs and education (Hartigan & Elkington, 2008).

Social enterprises come in handy in this regard. Entrepreneurship is vital as a prerequisite for economic development (Kerlin, 2009). To increase the societal welfare, entrepreneurship is for developing economies characterized by low GDP per capita, insecurity as well as high unemployment rate. Social entrepreneurship is necessitated by the fact that political, economic along with traditional solutions no longer assure one of a minimum quality of living standard to a soaring population(Elkington & Hartigan, 2008).There are many determinants of performance of social entrepreneurship firms. Ashitava (2010) argued that determinants of performance of social entrepreneurship firms includes the following; accessibility to finance, creating a favorable environment to business creation growth, encouraging an entrepreneurial spirit/culture in increasing the sustainable competitiveness of the

business, helping small businesses think outside the box and improving their access to market. This study did focus on only four determinants which will include financial access, entrepreneurial culture, management and technology in order to evaluate the performance of social entrepreneurship firms.

1.1.1 Social Entrepreneurship

Alvord, Brown & Letts (2004) observed that both immediate and anticipated problems find a solution through social entrepreneurship as it creates innovative solutions to combat the same. Nicholls, (2005) to resolve social market solutions, this study pointed out that professional innovative sustainable approach to systemic change is the way-out. SE being a multiple construct involves the achievement of social goals by the expression of entrepreneurial behavior, unity of action and purpose amidst moral complexity, recognition of social value-addition prospects and features of being proactive to make key decisions in undertaking risk and Innovativeness. (Mort, Weerawardena & Carnegie 2002)

There is an increase in Social entrepreneurs becoming vital in addressing problems that are ecological, social and economic in nature (Zahra, Gedajlovic, Neubaum & Shulman, 2009). This is evidenced by annual forums between Social entrepreneurs and CEOs to the world's biggest international Corporations and bulbous politicians (Rubio, Aragon & Esteban, 2011). In the same spirit, social entrepreneurship are much sought after having stars at the global events like Clinton global initiatives(Harding, 2006).

Individuals that are socially conscious play a critical part for being solution sources for complicated and insistent societal issues easily ignored by the business administrators (Nicholls, 2006; Nyssens, 2006; Zahra, Rawhouser, Bhawe, Neubaum,

& Hayton, 2008). Very little is known or understood of these types of entrepreneurs, for instance, the way in which they identify, create as well as exploit opportunities for the creation of social value. (Doyle Corner & Ho, 2010; Mair & Martí, 2006). This is a gap that the current study seeks to address by evaluating the determinants of performance of social entrepreneurship firms in Kenya.

Social organizations pursue the revenue generation in addition to achievement social goals the likes of positive environmental and human/social impact (Di Domenico, Haugh, & Tracey, 2010). Social and Commercial entrepreneurs are motivated by different objectives when deciding on commencement of a business venture in that social entrepreneurs are after the enhancement of social capital community cohesion while on the other hand, commercial ones are after maximization of profits (Mair & Noboa, 2006). Additionally, they face differing obstacles to entry and accessing of resources(Robinson, 2006).Social entrepreneurs are more closely associated with those who do not have ample admittance to resources (Di Domenico *et al.*, 2010; Austin, Stevenson & Wei-Skillern, 2006).

The growth and survival of social enterprises, depends on social economic value generation considered as a key factor distinguishing entrepreneurship that is socially oriented and that which is commercially oriented (Dorado, 2006; Mair & Martí, 2006). In as much as commercial entities contribute towards social value, the motive and relative value creation versus the commercial value generation (Moizer & Tracey, 2010; Zahra *et al.*, 2009). However, little research has gone into the dynamics that impact on the existence and advancement of social establishments. Moizer and Tracey (2010) careful handled social enterprises' sustainability as a balance amidst engagement with local stakeholders and the utilization of resources. The sustainability

of organizations is at risk when reserves of cash are exhausted (Bornstein & Davis, 2010).

As compared to commercial entrepreneurs, social entrepreneurs face a myriad of challenges that are serious while setting up their ventures especially with regard to human and financial resource mobilization (DiDomenico, Haugh, & Tracey, 2010; Peredo & McLean, 2006). Social entrepreneurs do struggle in comparison to their commercial counterparts in terms of survival at the early stages of business commencement (Hoogendoorn *et al.*, 2011).

1.1.2 Performance of Social Entrepreneurship Firms

Successful social enterprises have the following features; interdependence and gaining autonomy through trading, innovativeness, customers and community focus, engagement of stakeholders, a participative and democratic management, social, environmental and financial stability (Moizer & Tracey, 2010; Dees, 1994).

Due to lack of an all in all theory on the area of social, most studies concentrate on the literature on business entrepreneurship that is widely present (Dacin *et al.*, 2011).

The paramount aim of firms under the private sector is; to economic returns and profit contrary to the social enterprises whose main goal is value addition and contribution socially, putting emphasis on service and the ultimate mission (Kanter & Summers, 1987). In addition, the other difference is the overreliance on the external support, meaning that they even cannot afford to pay market wages to their employees (Kerlin, 2010). These and many more differences and futures influence the success factors of social enterprises.

According to (Sharir & Lerner, 2006, Boyer, Creech & Paas, 2008, Mason, 2012, Di Domenico *et al.*, 2010 and Wronka, 2013), the eight most shared serious success factors for social enterprises are:

(i) The engagement of local communities

(ii) Planning of the business and marketing

(iii) *Triple bottom line planning*: Measuring the firm's impact on the planet and humans in addition to making of profits. This triple bottom line presents a means of expressing a firm's effect and continuity on the universal and local scale.

(iv) *Attractiveness and clarity of innovative concept*: Any products and services suggested for the clients must validate that the fresh idea with potential in the market.

(v) *Partnerships* between the public sector institutions locally

(vi) *short and long term management of benefits*: The social enterprise to show how it would in ensuring that the stakeholders are kept engaged and committed deliver both short and long benefits.

(vii) *Strong leader/leadership*: Involved in coordinating and leading the social enterprise with acceptable qualifications and justification.

(viii) *Management of Risk*: Proper activities' planning to avert risks.

Bagnoli & Megali (2011) presented a multidimensional framework for measuring the performance of social enterprises and established the 3fields of reference for managements

(a) *Institutional legitimacy*: Conforming to both law and the mission statement.

(b) *Efficacy of the society*: Measuring the quality and quantity of work being done to assess its effect on the communities and beneficiaries at large.

(c) *Economic-financial performance*: This is with reference to performance generally with regard to value added and profits and indicators of efficiency. Unlike the commercial entities, social enterprises' social goals are pursued in obedience to economic and financial effectiveness (Torres & Pina, 2003).

1.1.3 Social Entrepreneurship in Kenya

Kenya like the rest of the sub-Saharan African countries with persistent development needs, the statistic show that 67 percent of Kenya's populace lives for less than 2 USD a day while, inequality and lack of employment is sky rocketing (BMZ, 2013). This position notwithstanding, there has been promising economic progress of between 4.4 percent, to 5.8 percent of the GDP (World Bank, 2013).

As comparison is made with the rest of the sub-Saharan countries, Kenya functions well as far as business support setting, institutions of finance, and dynamism of the private sector is concerned, making her the “power house of East Africa”(African globe, 2013; Kimenyi & Kibe, 2014).

The entrepreneurial organizations therefore are coming up with a new brand of social enterprises in line with Panum & Hansen (2014) who state that this trend of social enterprises covers a number of sectors in the economy.

Smith & Darko (2014) observed that the restricting of the economy in the 1980's and 1990s led to cuts in government expenditure and creating room for no state actors like commercial actors and NGOs. With the scramble for donor monies, NGOs have resulted in venturing to revenue generating activities. A case in point is the Vietnam's

example where the social enterprises sector was spurred with changes in behavior of donors and so registering social enterprises as either, NGOs, commercial companies or both.

The 1992 Kenyan NGO Act regulating the registration framework, and other regulations in 2005 and 2014 have made a sizeable number of global enterprises supporting enterprises be active.

According to Di Domenico *et al.*, (2010) and Wronka (2013) a great extent of entrepreneurial projects are begun by NGOs. An example is the Iko Toilet, translated to mean, there is a toilet, begun on 2007 as a social enterprise to help solve sanitation problems.

1.2 Research Problem

Alvord, Brown & Letts (2004) observed that both immediate and anticipated problems find a solution through social entrepreneurship as it creates innovative solutions to combat the same. In as much as the socially oriented entrepreneurs have continuously addressed social, ecological and difficulties that are economic in nature (Zahra *et al.*, 2009), very little is known about these kinds of entrepreneurs in addition to what affects them. A good example is how these social entrepreneurs recognize, identify and make use of the opportunities to be able to create value that is social in nature (Doyle Corner & Ho, 2010; Mair & Martí, 2006). Compared with their counterparts the commercial entrepreneurs, the social entrepreneurs face bigger huddles at the start up stage in terms of financial mobilization and human resources (Dorado, 2006; Mair & Martí, 2006; Moizer& Tracey, 2010; Zahra *et al.*, 2009). They too struggle thanks to their hybrid model of business in terms of access to finance, legal status, difficult markets, human resources, management weaknesses (Smith &

Darko, 2014). Dobele (2012) argues that, there is no presence of legal regulation for the social enterprises especially in terms of establishment, development and the predicament of dependency on donations. Additionally, the organizational characteristics and institutional characteristics to a large extent do impact the performance of these social enterprises.

The above position holding, it's worth noting that not much research has been conducted in assessment of the critical factors influencing the performance of these social enterprises. (Bygrave, 1993; Dacin *et al.*, 2011; Hoogendoorn *et al.*, 2011), observed that there had been meager research regarding the factors that impacted the growth and survival of socially oriented enterprises, as suggested by Meyskens *et al.*, (2010). However, some studies have been done, example Smith & Darko (2014) that looked at constraints and opportunities from Vietnam and Kenya, Boyer *et al.*, (2008) on the critical factors of success and Nyaga (2015) focusing on what determines financial performance and sustainability of social enterprise.

The above gaps therefore motivated the current study.

1.3 Research Objective

The objective of this study is to assess the determinants of performance of social entrepreneurship firms in Kenya.

1.4 Value of the study

Firstly the study creates knowledge on the necessity of social enterprising firms in Kenya and serves as a source of reference for other researchers who intend to research further on this area. Secondly, this study if adopted will provide insight to various stakeholders such as Donors, National and County governments on policy formulation

on how to assist social enterprises in addressing the challenges that hamper the success of their activities or their performance. The study will contribute to theory, practice and body of knowledge. Lastly, the study findings if adopted by the social enterprises may assist them in improving some of the critical areas of performance as addressed.

CHAPTER TWO

LITERATURE REVIEW

2.1Introduction

The chapter discusses lays down the literature on the variable of the study, theoretical in addition to empirical review related to the variables upon which the hypotheses were founded also presented. Finally a summary of the literature review which supports the gaps being addressed by the study and the proposed conceptual framework are provided.

2.2 Theoretical Review

This study was anchored on social entrepreneurship theory and financial liberalization theory. These theories were relevant in the context used, to determine the performance of the social entrepreneurship firms. Theoretical framework by definition is a gathering of interrelated thoughts that help the researcher to determine what to measure, and relationships of statistical nature to look for (Defee *et al.*, 2010). However, Esper, Mentzer & Stank, (2008) emphasizes that good research should be based in good theory.

2.2.1 Social Entrepreneurship Theory

The theory development concept indicator model, proposed a theoretical model of Social entrepreneurship (Glaser, 1978). The 3 suggestions are advanced from the process/procedure model of entrepreneurship in social terms .The model explains the procedures towards the generation of more social motives of social entrepreneurship. The theory outlines the ability by a social entrepreneur in identification of social gaps that propel the entrepreneur to innovative steps in a bid to fill the gaps the results being awareness socially and enablement in the community in question (Teo & Tan,

2013) This theory is deemed relevant to this study since it informed the dependent variable which was performance of social entrepreneurship firms.

2.2.2 Financial Liberalization Theory

The financial liberalization theory was brought into salience with the works of McKinnon & Shaw (1973). They made prevalent the financial repression concept as a system of finance with dogmas that misrepresent credit controls and local financial markets. Citing that with financial repression, financial intermediaries are never well groomed to be able to mobilize savings in addition to making financial services' allocations among competitors inefficient. The early hypothesis of According to McKinnon & Shaw (1973), absence of repression was associated to a great extent with better interest rates since hurdles are done away with leading to higher investments and eventual economic growth. Additionally, they observed that to liberalize financial markets enhances saturation of services of financial nature amongst impoverished populace.

As a critique to the theory, Allen & Santomero (1997) argue that the theory heavily focused on the roles of financial firms being no longer important in financial systems that are of age in that intermediaries as a means of reduction of transaction expenses and information asymmetry was overly strong.

This theory was also deemed relevant to this study because it informed the independent variable which was financial access. There is need for liberalization of financial markets, so as to allow penetration of financial services. The two theories were adopted for this study because they helped to explain the relevance of the four determinants that have been selected to examine the performance of the social entrepreneurship in Kenya (Esper, Mentzer & Stank, 2008).

2.3 Empirical Review

This section helped to understand what was done before in relation to the four determinates that were tested in this study. The aim was to establish the gaps that existed in the literature as likened to the performance of social entrepreneurship enterprises.

2.3.1 Financial Access and the Performance of Social Entrepreneurship Firms

Murigi (2014) observed that the responsibility of SMEs is in most policy debates both in the developed and developing nations as a means of employment creation, driving innovation and entrepreneurship, reduction of poverty and other social challenges. This is more so for SMEs in slums as debate on how to improve living standard in informal sector attracting a lot of interest. Financial access has been found to be the blood of small and micro enterprises and a key determinant of financial performance in developed countries.

The role of ensuring financial access is facilitated by the financial sector that mobilizes savings and allocates them to economic uses while providing critical information and discipline for economic agents as well as a mechanism for the allocation and management of risks and hence influencing firm's financial performance. However, the effect of finance access to Mukuru slums SMEs remains unknown with studies neglecting the area. The researcher observed that financial access has a non-negative and highly significant impact on SMEs performance financially in Mukuru slums. Further, 43% of the SMEs in Mukuru slums finance their operations from informal financing, 34% from formal sources and 23% from semiformal sources. The study concluded that informal sources of finance lead to better financial performance on SMEs than formal and semi-formal source of finance.

The size of the SME and the age correlated positively and significantly indicating an impact on performance financially. However, it was noted that there are no proper measures to facilitate financial access to the SMEs hence; the study recommends the formulation of measures to ensure that SMEs in slums areas are facilitated to gain financial access. This formed a gap that the current study sought to address.

Macharia (2012) in his study established that the financing of micro along with small businesses largely involved family and friends who played a big role in helping the business owners boost their operations with an average of 40% of the finances coming from them, an average of 24% came from financial institutions while on average 30% of the finances were from business savings. The study also found that the main hindrance of SMEs in getting access to formal financial services due to lack of credit services awareness, lack of collateral, banks vetting procedures, requirements of a guarantor, cost of loans and the employment as a security issue are some of the obstacles hindering utilization of the available credit facilities.

Sabana (2014)'s study depicted that entrepreneur financial literacy has been identified as one of the major competencies required for the establishment and management of microenterprises. Hypothesis testing was done by use of regression and correlation analysis. Additionally, the study also affirmed that literacy in finances influenced financial access therefore the hypothesis that financial literacy influences access to financial. Further, it revealed that there was an intervening influence of financial access on the relatedness of the literacy of financial matters by the entrepreneur and performance of microenterprises. Further, the results showed that transaction costs were statistically significant as controlling effect on relationships amidst entrepreneur financial literacy and microenterprises' performance. Finally, it (the research study)

established that the joint influence of entrepreneur financial literacy, financial access, and transaction cost is statistically significant. This implies that the study variables jointly predict enterprise performance.

However, there is no such study that has been conducted directly to assess the effect of finances on the performance of social entrepreneurship in Kenya; this is the gap that the current study filled.

2.3.2 Entrepreneurial Culture and the Performance of Social Entrepreneurship

Firms

Khalid (2015), the study was based on the interviews of the owners of 191 MSEs out of a population of 305 firms, with a resultant response percentage of 63. The study was set within the context of rural environment with highly constrained access to financial, human resources and social capital and comparatively with weak socio-economic institutional framework. The study observed that a number of aspects of entrepreneurial behavior dimensions directly and positively affected performance of the MSEs. It was noted that some of these aspects also have negative effects while others have weak relationship with firm performance. The study specifically found that business interests, achievement need or motivation contributed significantly to performance of MSEs.

In addition the study found that business growth motivation is explained by previous growth, asset size, motivation, attitudes, opportunity recognition and institutional business climate. However, the study found that overall entrepreneurial behavior has moderate positive effects on performance. Similarly, social and economic institutions have on the average strong positive effects on the relatedness amidst entrepreneurial trends and the MSEs' performance. Further, the study found that the combined effects

of entrepreneurial behavior, social and economic institutions are greater than their individual effects, $R^2=78.9\%$. The study experienced limitations regarding the wide geographical scope of the region, security challenges during the data collection stage and obtaining the cooperation of the owners of the MSEs. However, these constraints were managed. The current study seeks to establish whether a similar scenario can be said about social entrepreneurship enterprises in Kenya.

Deshpande & Farley (1999) observed that creativity lofty heights of taking risks, dynamism characterized any entrepreneurially oriented culture. Deshpande and Farley (1999) observed that in an entrepreneurially oriented culture; creativity, taking risks, innovation emphasis and dynamism.

Al-Swidi & Al-Hosam (2012)'s study results agreed with the firm theory on the basis that capabilities in the organization were a fountain of competitiveness.

Ashitava(2010)'s study work on assessment of entrepreneurship in the corporates, his study sought to determine whether the mobile phone service providers practice corporate entrepreneurship and then determine the effects on the company performance. The study used a cross-sectional survey where four companies under the population were analyzed. The performance of the companies was measured by profits and returns on investments in the periods when corporate entrepreneurship was practiced. The study revealed that corporate entrepreneurship practice cannot be ignored by mobile phone service operators in Kenya.

The mobile phone service operators have various elements that amount to corporate entrepreneurship and they include new product venturing, research and development efforts, market diversification and even business strategies. The study concluded that corporate entrepreneurship brings about more revenue and thereby better performance

to these firms. The study recommends the adoption of more formal corporate entrepreneurship practices through top management support and more budget allocation for the full realization of the benefits of corporate entrepreneurship. It is also clear that though the studies reviewed provide a good ground for the current study but it shows there was need of more academic work on the determinants of performance of social enterprises in Kenya, hence the need for current study.

2.3.3 Management and the Performance of Social Entrepreneurship Firms

Waal & Coevert (2007) conducting a study in this area and noted two differing outcomes caused by the introduction of a new system of performance management in two business divisions of a branch of a bank in that there was significant improvement in the results of the private clients' segment as opposed to the business section that performed dismally. Further, the analysis revealed that these contradicting outcomes were due to how each department used the performance management system.

Ghias & Ahmed (2012) established that the school heads had employed differing options while making decisions in that one pre-planned while the other did not but made decisions under duress and that one employed a joint decision making policy with students. These findings formed a good basis for the current study because a school is a social institution however, it is noted that the current study will seek to use the findings of the study to establish whether the management has an impact on the performance of the socially oriented enterprises in operation in Kenya.

Gerrish (2016)'s study indicated that practices of management had a vital influence on the performance management systems' effectiveness. This current study sought to fill a gap that is evident in the literature where by little has been studies to evaluate

various issues affecting the performance of social enterprises in Kenya which seem to be growing at a rapid rate yet little research is being conducted in the area..

2.3.4 Technology and the Performance of Social Entrepreneurship Firms

Kimingi (2010)‘s study considered variables such as effect of technological innovations on the target group, how technology improves staff performance, Technological Changes in organizations. Technological adoption in all departments and how legislation affects implementation of technology.

The problem statement therefore indicates that, micro finance institutions face myriad of challenges such as slow introduction of systems that enable institutions to analyze their loan portfolio and produce reports which facilitate appropriate decision making, this has led to low adoption of change created by IT solutions and regulatory constraints that impede MFI ability to implement strategic IT solutions and to staff the IT functions within. The study therefore unearths issues that affect adoption of technology in enhancing performance and the remedial measures for the improvement of performance. Descriptive statistics cross tabulation and case referencing was used. Sample of 54 Micro finance institutions were identified of which 20 were interviewed randomly using appropriate scientific methods. He a curtained that there was a correlation between IT and the business enterprises’ performance; however, it cannot conclusively be used in case of social enterprises which are partly for welfare purposes. This current study therefore seeks to establish whether IT has an effect on the performance of the enterprises of social nature in Kenya.

Kamau (2013) showed that there was no strong linkage amidst IT and performance of social enterprises just as it can be seen in the case of banking, this shows that there is little research in this area and therefore the need for the current study. From the

findings, a steady rise in return on assets values from 2009 indicated that the banks' financial performance has been very well over the last 3 years in Kenyan financial industry. It was also established that significant positive correlation was existent between financial performances and M-banking. The study as well established a significant positive relationship between E-Funds Transfer at POS (Point of Sale) Terminals versus financial performance.

Abbas *et al.*, (2014) observed that technology was critical to every industry and that IT escalated productivity reducing mistakes but, there is need for adequate training to employees to increase their performance. This study also provides a good basis for the current study on evaluating the effect of IT in performance of an organization. The current study seeks to establish how the use of IT can enhance performance of the social entrepreneurship firms in Kenya.

2.4 Previous Studies and Knowledge Gaps

Murigi (2014), focused on Ongata Rongai Township thus presenting a geographical gap, based on the interviews thus presenting a methodological gap while the current study focused on social entrepreneurship firms in Kenya. Waal & Coevert (2007)'s study focused on banks thus presenting a scope gap. The current study focused on social entrepreneurship firms. Ghias & Ahmed (2012) study focused on Sargodha thus presenting a geographical gap. The current study will focus in Kenya. Abbas *et al.*, (2014)'s study on effects of technology on the employees' performance. According to the study technology has fundamental importance in every industry. This study used technology as the only variable that affects performance. This presented a conceptual gap. The current study used other variables which included financial access, entrepreneurial culture and management.

2.5 Conceptual framework

For the purpose of this research, a conceptual framework has been developed showing the relatedness amidst the dependent and independent variables. The independent variables are financial access, entrepreneurial culture, management and technology while Performance of Social Entrepreneurship Firms is the dependent variable.

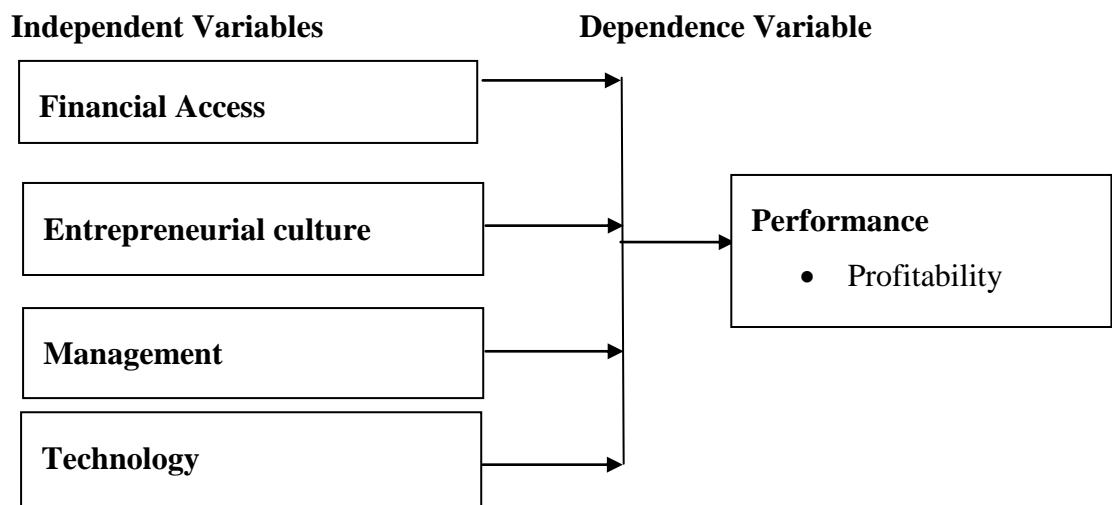


Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter highlighted the methodology as employed in achieving the objective of the study, methods and tools used gather, analyze data. Lastly it presented the analytical model that was developed.

3.2 Research Design

A descriptive research design was used. Cooper & Emory (2003) observed that the main aim of a descriptive study is to describe occurrences as they appear at present. A descriptive study design denotes and tells on the way things exist (Mugenda & Mugenda 2003). It enabled the researcher to put into perspective the performance determinants of social entrepreneurship firms in Kenya. This basis also validates reasons for the study's embrace to a descriptive research design.

3.3 Population of the Study

A study population in statistics is the specific population about which information is desired. Ngechu (2004), states that a population is a well-defined set of people, services, elements, and events, group of things or households that are being investigated. There are approximately 270 employees of Iko toilet in Kenya and 178 employees in Care Kenya. Therefore the total population was 448 employees of Iko toilet and Care Kenya.

Table 3.1 Target population

Social Entrepreneurship Firms	Population	Percentage
Iko toilet	270	60.3%
CARE Kenya	178	39.7%
Total	448	100%

3.4 Sample Size and Technique

A sample being an assembly of items selected from entire set to be representative of it (Kombo & Tromp 2009; Kothari 2004). Further Marczyk, Dematteo, Festinger (2005) and Yang (2008) define a sample to be subset to a population under study. (Black, 2011). Since the population was less than 10,000, the Fisher *et al.*, (2008) formula was employed.

The Fisher formula is as follows:

$$n = \frac{z^2 p(1 - p)}{d^2}$$

Where;

n = sample size

z = the standard normal deviate value for the level of confidence, for instance 95% level of confidence =1.96.

d = margin of error or level of precision at 0.1 for CI at 95%

p = proportion being estimated, Israel (2009) suggests that if one does not know the p value, we should assume that $p = 0.5$.

Therefore, sample size is arrived at as follows:

$$n = \frac{(1.96^2)(0.5)(1 - 0.5)}{(0.1)^2}$$

$$n = 96$$

Since the population is less 10,000, the sample size is further adjusted as follows:

$$n_0 = n / (1 + ((n - 1) / N))$$

$$n_0 = 96 / (1 + ((96 - 1) / 448))$$

$$n_0 = 79$$

Therefore the sample size was 79 employees of Iko toilet and CARE Kenya who were selected using stratified random sampling which was done using R software. This method was used because the sample represented the target population and eliminated sampling bias. The sample of 79 was selected from the two strata using the same proportion of the population. See table 3.2.

Table 3.2: Sample

Social Entrepreneurship	Population	Percentage	Sample
Iko toilet	270	60.3%	48
CARE Kenya	178	39.7%	31
Total	448	100%	79

3.5 Data Collection

Closed ended questionnaires were used to gather data. According to Newing (2011) questionnaires consisted of a sequence of precise. The respondents were expected to respond by providing an appropriate answer against the five Likert scale question statements provided under each objective. The questionnaire comprised of two parts:

the first part is the demographic features of respondents or the general information while the other part comprises of questions focusing on the study variables.

3.6 Data Analysis

Raw data from the field was sorted, coded, scrutinized and then organized and edited to enhance accuracy and hasten analysis using SPSS for the production of graphs and tables in descriptive statistics such as means, frequencies, standard deviation, percentages and statistical inferences used both correlation and regression analysis. Correlation was engaged to the variables inter-relation while regression was used to find out the level of strength between the variables

3.6.1 Research Model

Simple regression was used in the determination of rates of relatedness of variables.

$$Y = \beta_0 + \beta X$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Depending on the number of variables in the study

Where: e =any other variable that has an influence on Growth in Supply of real Estate Housing

β_0 = constant / point of intercept of the y- axis and the regression line.

β = the slope / gradient of the regression line

X_1 = Financial Access

X_2 = Entrepreneurial Culture

X_3 =Management

X4= Technology

Y= Performance of Social Entrepreneurship Firms

To test the hypotheses the researcher used the regression model, ANOVA test to find out whether the model is statistically significant, at p value of 0.1, F test to find out the usefulness of the regression model, T test to find out whether the explanatory variable are significant and R square to find the variability of the variables. The researcher obtained a measure of the degree of association that existed amidst the dependent variable and independent variables and construct a model that obtained the measurement with the help of the regression analysis

CHAPTER FOUR

ANALYSIS, RESULTS AND DISCUSSIONS

4.0 Introduction

This chapter contains the analysis and the results of the findings of the study in relation to the objective as summarized by SPSS. The results were presented in diagrams and tables. The data was arranged and analyzed under themes reflecting the research objective.

4.1 Response Rate

The employees of Iko toilet and CARE Kenya were administered with 79 questionnaires. However, 68 questionnaires were properly filled and returned, thus representing a response rate of 86.07% as shown in table 4.1 below. 50% response rate is sufficient in case of a descriptive survey (Mugenda& Mugenda, 2003; Kothari, 2004), while according to Babbie (2004), response rates above 50% are acceptable for analysis and publication, 60% is good and 70% is very good.

Table 4.1: Response rate

Response	Frequency	Percent
Returned	68	86.07%
Unreturned	11	13.92%
Total	79	100%

Source: Research Findings (2016)

4.2 Demographic Characteristics

This section shows basic characteristics of the respondent, such as age, gender, level of education and years worked in the firm.

4.2.1 Gender of the Respondents

Gender was one of the requirements on the respondents. Majority of the respondents who were 65% indicated that they were men while only 35% indicated that they were female. This implies that most of employees of Iko toilet and CARE Kenya were men.

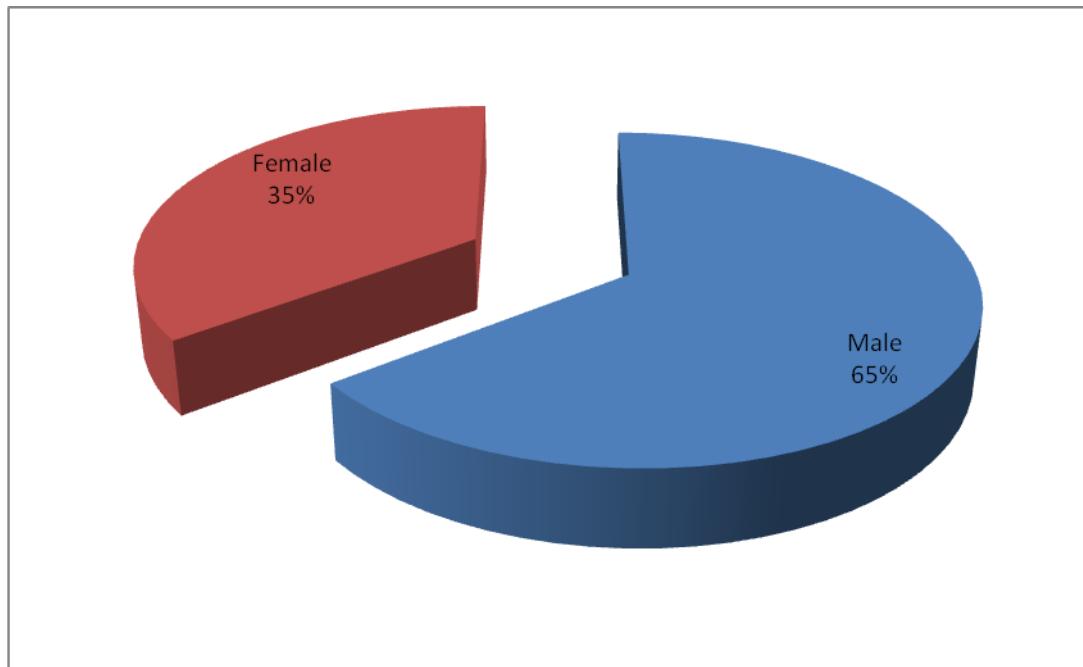


Figure 4.1: Gender of the Respondents

Source: Research Findings (2016)

4.2.2 Age of the Respondents

As regards the age of respondents, the results in figure 4.2 below, showed that 49% of the respondents indicated that they were less than 30 years, 29% indicated that they were between 31 – 40 years, 12% indicated that they were between 41 – 50 years while only 10% were above 50 years. This implies that most of employees of Iko toilet and CARE Kenya were young people.

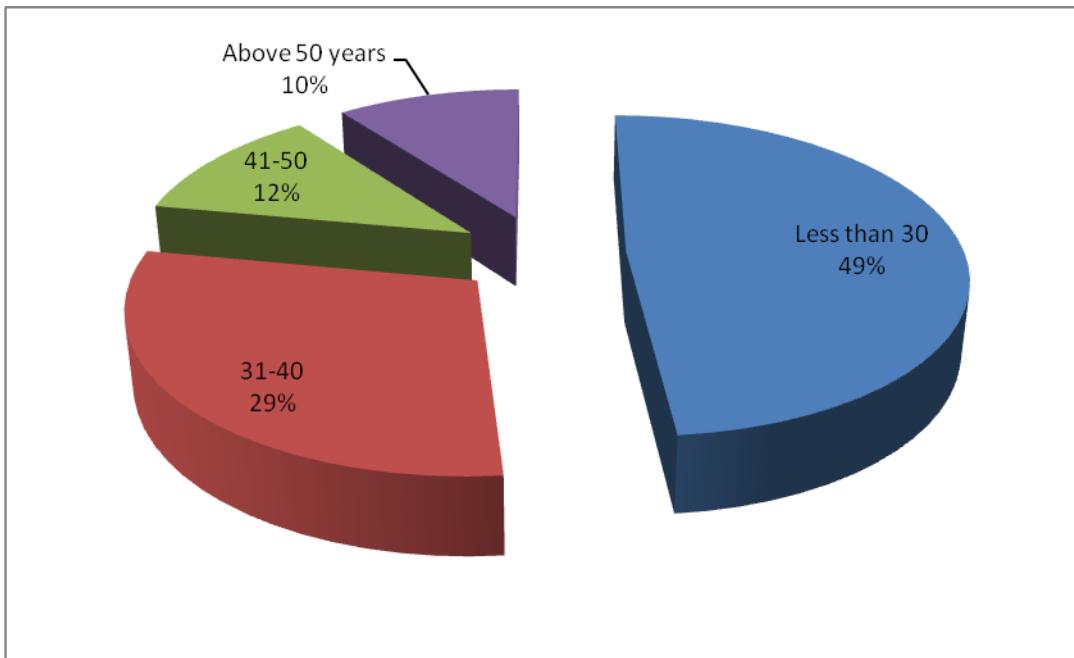


Figure 4.2: Age of the Respondents

Source: Research Findings (2016)

4.2.3 Marital Status

The respondents were further asked to indicate their marital status. The results in figure 4.2 below showed that, majority of the respondents who were 50% are single, 29% are married while only 21% are divorced. This implies that most of employees of Iko toilet and CARE Kenya are single.

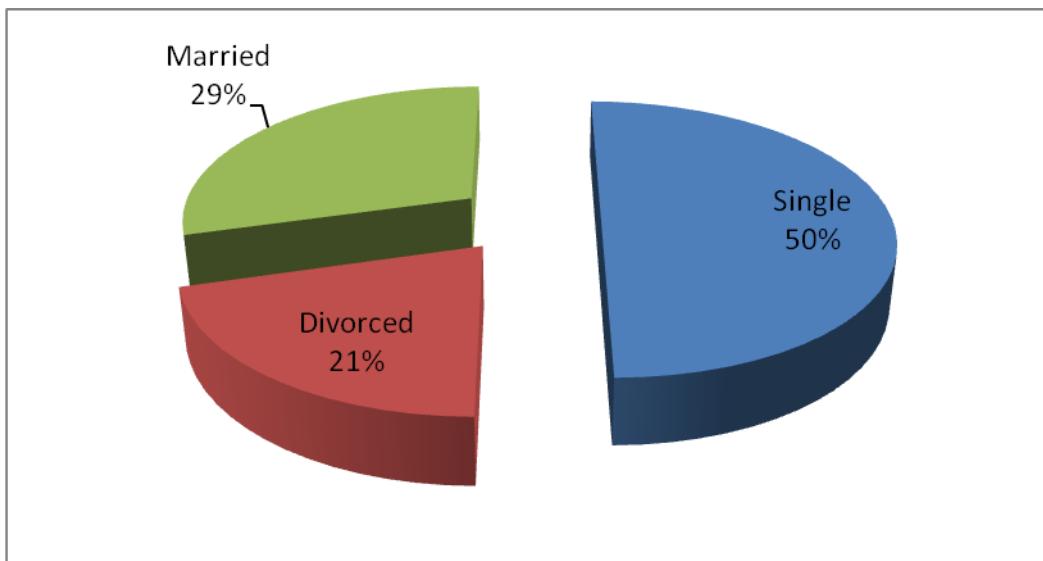


Figure 4.3: Marital Status

Source: Research Findings (2016)

4.2.4 Level of Education

On the level of education, the results in figure 4.4 below show that, majority of the respondents who were 50% indicated that their highest level of education was secondary level, 32.4% indicated primary, and 14.7% indicated college while only 2.9% indicated university. This implies that most of employees of Iko toilet and CARE Kenya are not well educated.

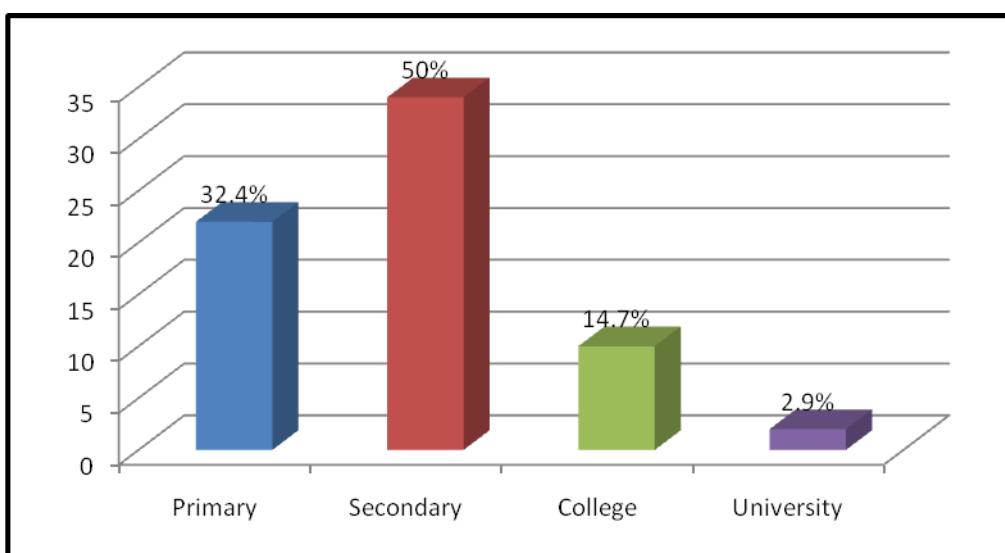


Figure 4.4: Marital Status

Source: Research Findings (2016)

4.2.5 Number of years worked in the Firm

On how long the respondents had worked in the firm, the results in figure 4.5 below show that, majority of the respondents who were 53% have worked in the firm for 2 to 5 years, 29% worked in the firm for 6 – 10 years, and 12% worked in the firm for more than 10 years while only 6% have worked in the firm for less than one year. This implies that most of employees of Iko toilet and CARE Kenya have worked in the firms for a number of years and that they have good knowledge of the firm.

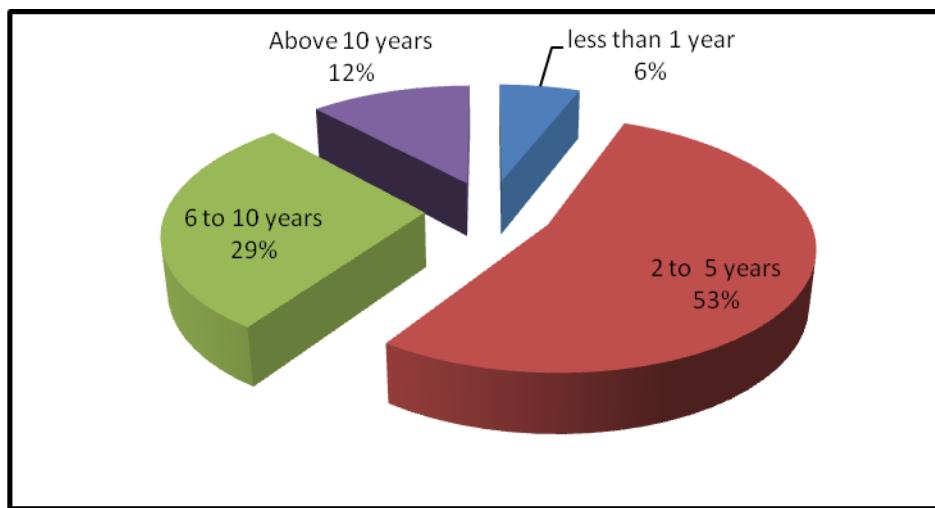


Figure 4.5: Number of years worked in the Firm

Source: Research Findings (2016)

4.3 Descriptive Statistics

This section presents the descriptive results on financial access, entrepreneurial culture, management, technology and performance of social entrepreneurship firms.

4.3.1 Financial Access

In a bid to assess the financial performance of social entrepreneurship firms in Kenya the respondents were required to give their views on various item statements that helped to establish the extent to which financial access influences performance of social entrepreneurship firms. The responses were presented in Table 4.2.

Table 4.2: Financial Access

Statement	Very low extent	Low extent	Moderate extent	Great extent	Very great extent	M	S. D
Cost of finance	4.40%	17.60%	13.20%	47.10%	17.60%	3.56	1.11
Short Repayment Period	1.50%	14.70%	5.90%	50.00%	27.90%	3.88	1.03
Collateral	4.40%	14.70%	13.20%	44.10%	23.50%	3.68	1.13
Lack of the social entrepreneurship Credit Worthiness Information	14.70%	10.30%	4.40%	48.50%	22.10%	3.53	1.34
The firms profit position affects its ability to access finance	2.90%	14.70%	1.50%	41.20%	39.70%	4.00	1.13
Many financial institutions still have a problem financing social enterprises because of the profitability challenges	4.40%	4.40%	8.80%	48.50%	33.80%	4.03	1.01
Total						3.78	1.13

Source: Research Findings (2016)

The results in Table 4.2 above show that, 64.7% (47.10% + 17.60%) - majority indicated that cost of finance affect their ability to access credit to a great extent. It was also revealed that, majority of the respondents 77.9% indicated that short repayment period affect their ability to access credit to a great extent. The results further established that majority of the respondents 67.6% indicated that collateral affect their ability to access credit to a great extent. The results further indicated that that majority of the respondents 70.6% said that lack of the social entrepreneurship credit worthiness affects their ability to access credit to a great extent.

On whether the firms profit position affects its ability to access finance, the results revealed that, majority of the respondents who were 80.9% agreed to a great extent. The results further showed that majority of the respondents who were 82.3% indicated that many financial institutions still have a problem financing social enterprises because of the profitability challenges to a great extent. Further analysis indicated that

over 75% of the respondents indicating average mean responses more than 3.0 of the respondents indicated that the items that defined influence of financial access on the performance of social entrepreneurship firms affected to a great extent; however the answers were varied as shown by a standard deviation of 1.13. It is therefore noted that the financial access influences performance of social entrepreneurship firms such as Iko toilet and CARE.

These results agree with the findings of Macharia (2012) in his study on the access to finance on micro and small enterprises and investment growth which established that the main hindrance of SMEs in getting access to formal financial services due to lack of credit services awareness, lack of collateral, banks vetting procedures, requirements of a guarantor, cost of loans and the employment as a security issue are some of the obstacles hindering utilization of the available credit facilities.

A similar view was also held by Sabana (2014) in his study that established that entrepreneurial financial literacy, financial access, transaction costs affected the performance of these enterprises

4.3.2 Entrepreneurial Culture

The second objective was to determine the entrepreneurial culture and the performance of social entrepreneurship firms in Kenya. The respondents were asked to indicate their level of agreement on various statements that were used to define the relationship that exists between entrepreneurial culture and the performance of social entrepreneurship firms.

Table 4.3: Entrepreneurial Culture

Statement	Strongly			Strongly			M	S. D
	Disagree	Disagree	Neutral	Agree	Agree			
Business growth motivation is explained by previous growth, asset size, motivation, attitudes, opportunity recognition and institutional business climate	4.40%	7.40%	35.30%	47.10%	5.90%	3.43	0.89	
My firm provides quality services	4.40%	2.90%	11.80%	60.30%	20.60%	3.90	0.92	
Proper & well laid marketing principles influence performance of the enterprise	1.50%	4.40%	11.80%	60.30%	22.10%	3.97	0.81	
Entrepreneurs' experience has a significant role in the future of the business	1.50%	16.20%	14.70%	51.50%	16.20%	3.65	0.99	
The firm encourages innovations to enhance quality	0.00%	14.70%	7.40%	50.00%	27.90%	3.91	0.97	
Total						3.77	0.92	

Source: Research Findings (2016)

The respondents were asked to rate the statements on a five Likert scale as presented in Table 4.3 above. The results in table 4.3 shows most responses- 53.00% (47.10% + 5.9%) agreed with the statement that business growth motivation is explained by previous growth, asset size, motivation, attitudes, opportunity recognition and institutional business climate. The results further indicated that majority of the respondents who were 80.9% agreed with the statement that their firm provides quality services.

On whether proper and well laid marketing principles influence performance of the social enterprises, majority of the respondents 82.4% agreed. Further showed that, most of them- 67.7% agreed with the statement that entrepreneurs' experience has a

weighty role in the future of the business. Similarly, majority of the respondents who were 77.7% agreed with the statement that their firm encourages innovations to enhance quality.

Further analysis again indicated that, most respondents over 75 % agreed with the declarations since the average mean response - 3.77 indicating that most of them agreed with the declarations; yet still, the replies had a standard deviation of 0.92. These results support the findings of Khalid (2015) who conducted a study on entrepreneurial behavior; Al-Swidi & Al-Hosam (2012) and Deshpande & Farley (1999) established that risk taking, dynamism, and creativity characterize an entrepreneurial culture and determined the performance of a firm.

The study specifically found that business interests, achievement need or motivation contributed significantly to performance. In addition the study found that business growth motivation is explained by previous growth, asset size, motivation, attitudes, opportunity recognition and institutional business climate. However, it was established among all the authors that the overall entrepreneurial behavior of a business is influenced by the culture that has been developed in that organization and this is not different with the performance of the social entrepreneurship firms.

4.3.3 Management

The third objective of the study was to examine the management and the performance of social entrepreneurship firms in Kenya. The respondents indicating agreement with a number of statements used to define whether management of the firms had an impact as far as performances of socially oriented entrepreneurship firms are concerned. The study used a five scale Likert to measure the opinion and view of the respondents.

Table 4.4: Management

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	M	S. D
The enterprise uses planning to forecast its activities	4.40%	1.50%	7.40%	58.80%	27.90%	4.04	0.91
There is effective control of activities in the enterprise	2.90%	1.50%	7.40%	58.80%	29.40%	4.10	0.83
Staffs are recruited in a competitive interview process	4.40%	2.90%	7.40%	57.40%	27.90%	4.01	0.94
The activities of the organization are well organized to enhance performance	10.00%	1.50%	8.80%	60.30%	19.40%	4.18	0.65
There is a clear structure of management at the firm	10.00%	1.50%	13.20%	48.50%	26.80%	4.21	0.72
Delegation is done to enhance performance of the organization	7.40%	11.80%	14.70%	50.00%	16.20%	3.56	1.13
All employees are well trained in their areas of operation to enhance performance	7.40%	23.50%	14.70%	52.90%	1.50%	3.18	1.05
Total						3.90	0.89

Source: Research Findings (2016)

The results in Table 4.4 above, shows most respondents 86.7% (58.8% + 27.9%) agreed with the statement that the enterprise uses planning to forecast its activities. The results further showed that, majority of the respondents who were 88.2% agreed with the statement that there is effective control of activities in their enterprise. It was also established that, majority of the respondents who were 85.3% agreed with the statement that staffs are recruited in a competitive interview process. Similarly, it was clear that majority of the respondents who were 79.7%, agreed with the statement that, the activities of their organization are well organized to enhance performance.

Majority of the responses- 75.3% agreed with the statement that, there is a clear structure of management at their firm. Most of the respondents who were 66.2% agreed with the statement that delegation is done to enhance performance of the organization. Additionally, majority of the responses- 54.4% agreed with the statement that all employees are well trained in their areas of operation to enhance performance.

On average the results shows that, over 75% of the respondents agreed with the statements that defined the influence of management of SMEs on the social entrepreneurship firm's responses where the average response was 3.90, meaning that that many respondents agree per most statements; however the responses were diverse at 0.89 of standard deviation. The results support the findings of Gerrish (2016) who established that management of a firm has an influence on the firm's performance.

4.3.4 Technology

The fourth objective being to assess technology and the performance of social entrepreneurship firms in Kenya. The respondents were required to respond to various statements that helped to define the impact of technology on the performance of social entrepreneurship firms. The results are hereby shown in Table 4.5 below.

Table 4.5: Technology

Statement	Strongly disagree	Disagre e	Neutral	Agree	Strongly agree	M	S. D
Advancement in technology make loan application easier and faster processing	1.50%	4.40%	16.20%	51.50%	26.50%	3.97	0.86
Improvement in technology boost performance of social entrepreneurship firms	2.90%	1.50%	11.80%	55.90%	27.90%	4.04	0.85
There is low adoption of change created by IT solutions in the social entrepreneurship firms	1.50%	5.90%	11.80%	52.90%	27.90%	4.00	0.88
Technology greatly escalates the productivity of employees	7.40%	5.90%	11.80%	55.90%	19.10%	3.74	1.07
All employees are trained to use IT effectively	5.90%	10.30%	16.20%	29.40%	38.20%	3.84	1.22
Total						3.92	0.98

Source: Research Findings (2016)

The results in Table 4.5 indicate that most respondents, 78% (51.5% + 26.5%) agreed with the statement that advancement in technology make loan application easier and faster processing. The also indicated that most of the respondents, 83.3% agreed with the statement that improvement in technology boost performance of social entrepreneurship firms. It was further established that majority of the respondents who were 80.8% agreed with the statement that there is low adoption of change created by IT solutions in the social entrepreneurship firms. On whether technology greatly escalates the productivity of employees, majority of the respondents who were 75.0% agreed with the statement. The results further showed that majority of the respondents

who were 67.6% agreed with the statement that all employees are trained to use IT effectively.

This implies that technology has an influence on the performance of social entrepreneurship firms. The results indicate that, the average mean of the response was 3.92 meaning that majority of the respondents are 75% and above of the thus agreeing with most of the declarations responses, which is 0.98 standard deviation. The findings agreed with Kimingi (2010) , Kamau (2013) and Abbas *et al.*, (2014) who concluded that, there was a relationship between technology and the performance of employees in service firms and hence the current study results supports this findings and it notes that the performance of social entrepreneurship firms is influenced by technology.

4.3.5 Performance of Social Entrepreneurship Firms

The study also sought to establish the views of the respondents on the performance of social entrepreneurship firms. On whether the respondents agreed or otherwise as regards social entrepreneurship firms' performance,

Table 4.6: Performance of Social Entrepreneurship Firms

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
My firm has been making good profits	5.90%	5.90%	7.40%	41.20%	39.70%	4.03	1.12
My firm has been able to meet the customers expectation	5.90%	4.40%	8.80%	32.40%	48.50%	4.13	1.13
My firm is able to pay all its debts	4.40%	13.20%	0.00%	29.40%	52.90%	4.13	1.21
My firm makes great influence on the intended beneficiaries and the community	4.40%	7.40%	14.70%	57.40%	16.20%	3.74	0.97
My firm verifies organization coherence through mission accounting	2.90%	11.80%	27.90%	41.20%	16.20%	3.56	1.00
Total						3.92	1.09

Source: Research Findings (2016)

The results were presented in Table 4.6 above and it revealed that, majority of the respondents who are 80.9% (41.2% + 39.7%) agreed with the statement that their firm has been making good profits. The results also indicated that most of the respondents, 80.9% agreed with the statement that their firm has been able to meet the customers' expectation. The results further established that majority of the respondents who were 82.3% agreed with the statement that the firm is able to pay all its debts which implies that the firm is performing.

The results further indicated that majority of the respondents who were 73.6% agreed with the statement that their firm makes great influence on the intended recipients and eventually the community. On whether the firm verifies institutional coherence

through mission accounting, majority of the respondents who were 57.4% agreed with the statement meaning that social entrepreneurship firms perform well because of having an effective accounting system. This implies that social entrepreneurship firms are performance because they have in place systems of control. The mean of the respondents was 3.92 meaning that many of the respondents that is over 75% were agreeing with most of the statements that defined the performance of social entrepreneurship firms but with a standard deviation of 1.09.

4.4 Inferential Statistics

The analysis of Inferences was employed to get correlation results, fitness of the model, the regression coefficients and the analysis of variances.

4.4.1 Correlation Analysis

Table 4.7 below, next depicts the outcome of the analysis of correlation. The outcome showed that financial access and performance are correlated positively and significantly ($r=0.548$, $p=0.000$). These findings agreed with that of Murigi (2014) who argued that financial access has been found to be the blood of small and micro enterprises and a key determinant of financial performance in developed countries. The study concluded that financial access and financial performance are significant related. The table further indicated that entrepreneurial culture and performance are positively and significantly related ($r=0.521$, $p=0.000$).

These findings agree with observations of Khalid (2015) who found that, business interests, achievement need or motivation contributed significantly to performance of MSEs. It was further established that, management and performance were positively and significantly related ($r=0.520$, $p=0.000$). The findings agree with that of Waal & Coevert (2007) who concluded that performance management positively affects

performance of firms. Similarly, results showed that technology and performance were positively and significantly related ($r=0.541$, $p=0.000$). These findings agree with that of Kimingi (2010) who conducted a study on the effects of technological innovations on the financial performance of the commercial banks in Kenya and established that there is a relationship between information technology and performance of business enterprise.

Table 4.7: Correlation Analysis

Correlations		Performance	Financial access	Entrepreneurial Culture	Management	Technology
Performance	Pearson Correlation		1.00			
	Sig. (2-tailed)					
Financial access	Pearson Correlation	.548**		1.000		
	Sig. (2-tailed)	0.000				
Entrepreneurial Culture	Pearson Correlation	.521**	.475**		1.000	
	Sig. (2-tailed)	0.000	0			
Management	Pearson Correlation	.520**	.362**	0.22		1.000
	Sig. (2-tailed)	0.000	0.002	0.071		
Technology	Pearson Correlation	.541**	.333**	.337**	.337**	1.000
	Sig. (2-tailed)	0.000	0.005	0.005	0.005	

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

Source: Research Findings (2016)

4.4.2 Regression Analysis

The results in Table 4.8 below present the model fitness per regression used in explaining the study phenomena. Financial access, entrepreneurial culture, management, technology was found to be satisfactory variables in performance of social entrepreneurship firms. This was supported by coefficient of determination also known as the R square of 56.0%. This meant that financial access, entrepreneurial

culture, management, technology explain 56.0% of the variations in the dependent variable which was performance of social entrepreneurship firms. The results further mean that the model linking the relationship of the variables was good enough..

Table 4.8: Model Fitness

Indicator	Coefficient
R	0.748
R Square	0.56
Adjusted R Square	0.532
Std. Error of the Estimate	0.343658

Source: Research Findings (2016)

Accordingly, the model is significant as far as explaining the existing relationship since p value-set at 0.05 is more than the significance number.

Table 4.9 below, provides the analysis of the variance (ANOVA) analysis. It was indicated the statistical significance in addition to indicating that the independent variables are good predictors of financial sustainability. This was supported by an F statistic of 20.022 and the reported p value (0.000) which was less than the conventional probability of 0.05significance level.

Table 4.9: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.458	4	2.365	20.022	0.000
Residual	7.44	63	0.118		
Total	16.899	67			

Source: Research Findings (2016)

Regression of coefficients results in table 4.10 below, revealed that financial access and performance are positively and significantly related ($r=0.249$, $p=0.025$). The table further indicates that entrepreneurial culture and performance are positively and significantly related ($r=0.275$, $p=0.012$).

Table 4.10: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	-0.539	0.501	-1.077	0.286
Financial access	0.249	0.108	2.296	0.025
Entrepreneurial Culture	0.275	0.106	2.600	0.012
Management	0.314	0.102	3.079	0.003
Technology	0.306	0.101	3.026	0.004

Source: Research Findings (2016)

Thus, the optimal model for the study is;

Performance of social entrepreneurship firms = -0.539 + 0.249Financial access + 0.275 Entrepreneurial Culture + 0.314Management + 0.306Technology

$$Y = -0.539 + 0.249X_1 + 0.275X_2 + 0.314X_3 + 0.306X_4 + 0.501$$

The model shows that when all the four factors are not in place or are not practiced by the social entrepreneurship firm, then the performance will be negative 0.038 that is (-0.539+0.501). It is further noted that with financial access the performance of these firms will improve by 24.9%, effective entrepreneurship culture will improve the performance by 27.5%, improved management will influence performance by 31.4% and adoption of technology will improve performance by 30.6%. This shows that management of the firm plays an important role in enhancing performance.

4.5 Discussions and Interpretation of the findings.

The aim of this study was to assess the determinants of the performance of social entrepreneurship firms in Kenya. From the analysis of variance (ANOVA) the study agreed with that of Murigi (2014) who argued that financial access has been found to be the blood of small and micro enterprises and a key determinant of financial

performance in developed countries. The study concluded that financial access and financial performance are significantly related.

These findings agree with that of Khalid (2015) who found that business interests, achievement need or motivation contributed significantly to performance of MSEs. It further established that management and performance were positively and significantly related ($r=0.314$, $p=0.003$).

The findings agree with that of Waal & Coevert (2007) who concluded that performance management positively affects performance of firms. Lastly the study established that technology and performance were also significantly and positively related ($r=0.306$, $p=0.004$). These findings agree with that of Kimingi (2010) who conducted a study on the technological innovations and the financial performance of the commercial banks in Kenya and established that there is a relationship between information technology and performance of business enterprise.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1Introduction

This chapter contains the summary of the study results, the deductions made and the accompanying recommendations to improve determinants of the performance of social entrepreneurship firms in Kenya in addition to suggestions areas for further studies.

5.2 Summary

The general objective of the study was to assess the determinants of the performance of social entrepreneurship firms in Kenya. Study specifically looked at; financial Access, Entrepreneurial Culture, Management and Technology as indicators of performance.

5.2.1 Financial Access

The first objective of the study was to establish the financial access and the performance of social entrepreneurship firms in Kenya. The study found that financial access and performance of social entrepreneurship firms are positively and significant related. These findings agreed with that of Murigi (2014) who argued that financial access has been found to be the blood of small and micro enterprises and a key determinant of financial performance in developed countries. The study concluded that financial access and financial performance are significant related.

The findings were also consistent with that of Macharia (2012) who found that the main hindrance of SMEs in getting access to formal financial services due to lack of credit services awareness, lack of collateral, banks vetting procedures, requirements

of a guarantor, cost of loans and the employment as a security issue are some of the obstacles hindering utilization of the available credit facilities.

5.2.2 Entrepreneurial Culture

The Second objective of the study was to establish the Entrepreneurial Culture and the performance of social entrepreneurship firms in Kenya. The study found that entrepreneurial culture and performance of social entrepreneurship firms are positively and significant related. These findings agree with that of Khalid (2015) who conducted a study on entrepreneurial behavior, social and economic organizations and performance of small livestock and micro enterprises in north eastern region, Kenya. The study found that there were that a number of aspects of entrepreneurial behavior dimensions directly and positively affected performance of the MSEs.

The study specifically found that business interests, achievement need or motivation contributed significantly to performance of MSEs. These findings also support that of Al-Swidi & Al-Hosam (2012) who conducted a study on the entrepreneurial orientation and the organizational performance. The study concluded that entrepreneurial orientation and organizational performance are positively and statistically significant. Ashitava (2010) also concluded that corporate entrepreneurship brings about more revenue and thereby better performance to these firms.

5.2.3 Management

The third objective of the study was to examine the management and the performance of social entrepreneurship firms in Kenya. The study found that management and

performance of social entrepreneurship firms are positively and significantly related. The findings agree with that of Waal & Coevert (2007) who concluded that performance management positively affects performance of firms. The findings also agree with that of Ghias & Ahmed (2012) who concluded that management styles and performance are positively and significantly related.

5.2.4 Technology

The fourth objective of the study was to determine the relationship of technology and the performance of social entrepreneurship firms in Kenya. The study found that technology and performance of social entrepreneurship firms are positively and significant related. These findings support that of Kimingi (2010) who established that there is a relationship between information technology and performance of business enterprise. The findings also agreed with that of Kamau (2013) who found a significant positive relationship between mobile banking and financial performance.

The study also established a significant positive correlation between Electronic Funds Transfer at Point of Sale Terminals and financial performance. Kamau (2013) concluded that the use technological innovation in the Kenyan banking industry has enhanced their effectiveness in addition to improved performance of workers.

5.3 Conclusion

Based on the study findings, the study concludes that financial access, entrepreneurial culture, management and technology have significant and positive correlation with performance of social entrepreneurship firms in Kenya.

The study concluded that ability to access credit, short term repayment period greatly affect social entrepreneurship firms to access finance. In addition collateral affect

social entrepreneurship firms to access finance. Lack of the social entrepreneurship credit worthiness information also affects their ability to access credit immensely.

The study concluded that proper and well laid marketing principles influence performance of the entrepreneurship firms. Additionally, the study concluded that most social entrepreneurship firms encourage innovation. In addition entrepreneurs' experience has a vital role in the future of the business.

The study concluded that improvement in technology boost performance of social entrepreneurship firm. In addition advancement in technology makes loan application easier and faster processing. Technology also greatly escalates the productivity of employees

5.4 Recommendations of the Study

The study recommends that the government should formulate measure to ensure that social entrepreneurship firms are facilitated to gain financial access. In addition the banking institutions should prolong the loan repayments periods so that the entrepreneurship firms can get enough financial access.

The study recommends that Social entrepreneurship firms should have proper and well laid management principles so as to improve their performance. The firms should also ensure that they provide quality services. This can be done by encouraging innovations and creativity.

The study recommends that all Social entrepreneurship firms should use planning to manage its activities. This helps them to boost their performance. The firms should also ensure effective control of activities in their enterprises. In addition there should be a clear structure of management in all social entrepreneurship firms. All employees

in all Social entrepreneurship firms should be well trained in their areas of operation and specialization to enhance their performance.

The study recommends that all social entrepreneurship firms should advance in technology so as to boost their performance. This is because technology greatly escalates the productivity of employees. In addition all employees in all social entrepreneurship firms should be trained to use IT effectively and efficiently.

5.5 Limitations of the Study

The study utilized primary data collected through a questionnaire. This questionnaire were structured such that they required a specific response hence they may not have captured the general view of the respondents. It is also only the respondent who can verify the accuracy of the information provided. The researcher used to rely on the self-reported information to verify the statements being shared. The accuracy of the analysis heavily relied on the data people involved in the firms. This is because the data collected was restricted small region and which may fail to give a true representation.

5.6 Suggestions for Further Studies

The study did take only a sample of 79 respondents for the study because of time constraint. There is need therefore to carry a further research on the whole employees for better results. The wanted to unveil the determinants of performance of social entrepreneurship firms in Kenya. This study, therefore, focused on entrepreneurship firms in Kenya, thus areas for further studies could consider entrepreneurship firms from other countries in the region, to enhance comparisons with the current study.

In addition, the study examined only four determinants of performance of social entrepreneurship. Further studies should expand the scope and consider the effect of other determinants of performance of Social entrepreneurship.

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APPENDICIES

Appendix (I): Introduction Letter

Dear Respondents,

I am a master's student at the School of Business, University of Nairobi undertaking a research project on 'performance of social entrepreneurship firms in Kenya. Fill this form appropriately with the relevant information and return. Any information obtained for this purpose will be kept strictly confidential and will only be used for academic purpose. Your cooperation will be highly appreciated in this regard.

Thank You

Yours truly,

LEMEIN KOREI KOITAMET

Appendix (II): Questionnaire

This questionnaire is divided into five sections that should take only a few minutes time to complete. Please respond by ticking the appropriate box or filling in your answers in the blank spaces provided.

Demographic Information

1. Gender of respondents

M

F

2. How old are you? (Years)

Less than 30:

31-40:

41-50:

Above 50:

3. What is your marital status?

Single

Divorced

Separated

Married

4. What is your level of education?

Primary

Secondary

College

University

4. How long have you worked in this firm?

- a) less than 1 year
- b) 2 to 5 years
- c) 6 to 10 years
- d) Above 10 years

SECTION A: Financial Access

To what extent do the following factors affect your ability to access credit?

Use a scale of 1-5

Where 5= Very great extent; 4 Great extent; 3= Moderate extent; 2= Low extent and 1=Very low extent.

Tick as appropriately

Statement	1	2	3	4	5
Cost of finance					
Short Repayment Period					
Collateral					
Lack of the social entrepreneurship Credit Worthiness Information					
The firms profit position affects its ability to access finance					
Many financial institutions still have a problem financing social enterprises because of the profitability challenges					

SECTION B: Entrepreneurial Culture

This section attempts to establish the entrepreneurial culture and performance of social entrepreneurship firms.

Use the Likert scale.

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	1	2	3	4	5
Business growth motivation is explained by previous growth, asset size, motivation, attitudes, opportunity recognition and institutional business climate					
My firm provides quality services					
Proper & well laid management principles influence performance of the enterprise					
Entrepreneurs' experience has a significant role in the future of the business					
The firm encourages innovations to enhance quality					

SECTION C: Management

This section attempts to establish the management and performance of social entrepreneurship firms. Use the Likert scale.

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	1	2	3	4	5
The enterprise uses planning to forecast its activities					
There is effective control of activities in the enterprise					
Staffs are recruited in a competitive interview process					
The activities of the organization are well organized to enhance performance					
There is a clear structure of management at the firm					
Delegation is done to enhance performance of the organization					
All employees are well trained in their areas of operation to enhance performance					

SECTION D: Technology

This section attempts to establish Technology and performance of social entrepreneurship firms. Use the Likert scale.

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	1	2	3	4	5
Advancement in technology make loan application easier and faster processing					
Improvement in technology boost performance of social entrepreneurship firms					
There is low adoption of change created by IT solutions in the social entrepreneurship firms					
Technology greatly escalates the productivity of employees					
All employees are trained to use IT effectively and efficiently					

SECTION: Performance of Social Entrepreneurship firms

Use the Likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	1	2	3	4	5
My firm has been making good profits					
My firm has been able to meet the customers expectation					
My firm is able to pay all its debts					
My firm makes influence on the intended beneficiaries and the community					
My firm verifies organizational coherence through mission accounting					

Thank you for your cooperation.