

FACTORS INFLUENCING THE PERFORMANCE OF WOMEN- OWNED MICRO AND SMALL ENTREPRISES IN MERU TOWN, IMENTI NORTH SUB- COUNTY, MERU COUNTY, KENYA

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BY

KAREN KAGWIRIA KIOGORA

Globally, **59** Micro and Small Enterprises (MSEs) play an important economic role. Their contribution to economic development, income generation and poverty alleviation is widely recognized (International Labour Organization-ILO,2007). According to Republic of Kenya-ROK, (2013) MSEs contributed over 70% of GDP in 2013, in Singapore 47% (SMU, 2008), in Tanzania 33% (Madata, 2011). Women are also increasingly starting and running MSEs as evidenced by statistics by the Global Entrepreneurship Monitor (GEM) women account for an estimated 68% of world entrepreneurs (Global Entrepreneurship Monitor, 2014). **10** For instance, in Louisiana, 51% of privately owned firms were women which generated over \$13 billion in sales

and employed nearly 102,000 people in 2006 Mahajar and Yunus, (2012) and in Ghana 3 in every 5 entrepreneurs are reported to be women (GEM, 2014).

However, women entrepreneurs in different countries still face numerous unique challenges that influence the performance and growth of their business ventures especially those engaged in Micro and Small Enterprises (MSEs) (Brush, Bruin, Gatewood and Henry 2010). Women in the informal economy lack the ability to accumulate the savings required for the start-up process due to low levels of education. They lack access to working capital and credit and as a result, have low profits to reinvest in their firms. In addition, women face a number of gender related problems; lack of property rights over assets; lack of confidence in women by bank officers; discouragement from men in business; and suppliers sometimes insisting that they deal with the entrepreneur's husband when decisions are being made. (ILO,2003).

In the United Kingdom (U.K) Roomi, (2013) reported that the performance of women owned Micro and Small Enterprises (MSEs) was influenced by their ability to access social capital. Kraus, Rigtering, Hughes, and Hosman, (2012) reported that high levels of entrepreneurial orientation in terms of innovativeness and risk-taking propensity were among factors that influenced the 33% increase in business performance of women owned Micro and Small enterprises (MSEs) in Netherlands. Aidis, Welter, Smallbone and Isakova (2007), did however estimate that 75% and 68% of women owned MSEs in Lithuania and Ukraine would collapse due to barriers associated with access to business financial capital.

Mahmood and Hanafi, (2013) postulated that the high levels of entrepreneurial orientation in terms of innovativeness, proactiveness and risk-taking propensity had positively influenced the business performance of women owned Micro and Small enterprises (MSEs) in Malaysia. However, in Sri Lanka Fauzul, Takenouchi and Yukiko (2010), reported that low levels of entrepreneurial orientation in terms of risk-taking propensity, competitive aggressiveness and autonomy adversely influenced the performance of women owned MSEs, leading to 57% failure of these business ventures. The situation is similar in Pakistan according to Roomi,(2011) who reported that only 43% of women owned MSEs had the opportunity for growth emanating from barriers such as access to business finance and information and low entrepreneurial orientation

characterized by levels of autonomy, low levels of risk-taking propensity and low levels of competitive aggressiveness mainly associated with Islamic traditions. In China Tang, Tang, Zhang and Li (2007), pointed out that that the low levels of entrepreneurial orientation coupled with difficulty in accessing financial capital would lead to an estimated business closure of 25% of women owned MSEs in comparison to 15% of men owned MSEs in the country. In Lao, Inmyxai and Takahashi, (2010) did note that challenges associated with access to business capital and low levels of access to Information Communication Technology (ICT) were reported to influence the collapse of 47% of women owned MSEs as compared to 22% of men owned MSEs in the country.

In Turkey, El-Hamidi and Baslevent, (2010) reported that women owned MSEs were adversely influenced by bottlenecks associated with access to credit facilities mainly attributed to Islamic traditions. Ahmed, (2011) established that low levels of entrepreneurial orientation characterized by low levels of autonomy and risk-taking propensity associated with Islamic traditions were responsible for the 35% failure of women owned MSEs in Saudi Arabia. In Oman, Chavali, (2015) did estimate that 83% of women owned MSEs were collapsing due to barriers to access to business capital and information coupled with the low levels of entrepreneurial orientation characterized by low levels of autonomy and risk-taking propensity associated with Islamic traditions. In Jordan, Al-zoubi, (2014) estimated that only 20% of women owned MSEs would survive due barriers that impede their performance such as; to access to business financial capital, information communication technology and limited access to social capital. In Yemen, Ahmad and Xavier, (2011) also found out that limited access to both business financial capital and information coupled with low levels of entrepreneurial orientation characterized by low levels of autonomy, competitive aggressiveness and risk-taking propensity associated with Islamic traditions had adversely influenced the performance of women owned MSEs in the country.

In a cross-country study, Minniti and Naudé (2010) reported that women owned MSEs were performing more poorly in African countries as compared to those in other continents such as Asia and Europe. These they attributed to; bottlenecks in accessing business finance and the existence of low levels of entrepreneurial orientation. According to El-Hamidi,(2011) the

performance of women owned MSEs in Egypt was influenced by factors such as; bottlenecks associated to access to business finance and low levels of entrepreneurial orientation. In Morocco, Vaughn (2010), established that women owned MSEs were more likely to collapse as opposed to those owned by men due to challenges such as; limited access to business financial capital, access to information communication technologies and low levels of entrepreneurial orientation characterized by low levels of autonomy and risk-taking propensity.

In Nigeria, Mordi, Simpson, Singh, and Okafor (2010), reports that cultural factors deny women collateral to enable them access credit facilities which is not only responsible for the slowed performance of women-owned MSEs but also for the collapse of an estimated 40% of these business ventures. Abor and Bickpe, (2006) who did a comparative study between men and women owned MSEs' ability to access business finance reported that women owned MSEs were less likely to access credit for their business due to cultural factors that denied them access to collateral such as land title deeds in comparison to men who enjoyed this access and were therefore better placed to access credit for their MSEs in Ghana. In Cameroon Epo,(2012) established that limited access to business financial capital had adversely influenced the performance of women owned MSEs and also pointed out that women owned MSEs that had access to social capital had reported better performance than those that limited access to social capital.

In Zimbabwe, Siwadi and Mhangami, (2011) reported that the failure to access credit facilities in a Multi-currency economy was responsible for the collapse of 87% of women owned MSEs in the country. Chirwa, (2008) argued that women owned MSEs in Malawi were performing poorly in comparison to those owned by men due to factors such as; limited access to both credit facilities, and information communication technologies for the women and low levels of entrepreneurial orientation resulting to a 60% closure of the women owned MSEs. In Botswana, Okurut and Ama (2013), also demonstrated the negative influence of limited access to business financial capital and business information on the performance of women owned MSEs. Factors such as limited access to business financial capital or credit and overreliance on spouse and close relatives for business growth, low membership levels to business associations, coupled by low levels of entrepreneurial orientation were established to influence the poor performance of women MSEs in South Africa (Akhawayand Havenga, 2012).

According to Eshetu and Zeleke (2008), 98% of business firms in Ethiopia are micro and small enterprises however Chane, (2010) reported that bottlenecks associated with access to credit facilities to finance their businesses had resulted to the failure of 75% of women owned MSEs in the country. In Somalia, Ali-Yassin and Abdel (2014) reported that only 25% of women owned were likely to survive due the low levels of entrepreneurial orientation characterized low levels of autonomy, low levels of risk-taking propensity and low levels of competitive aggressiveness. Salia and Mbwambo, (2014) reported better business performance and growth among women owned MSEs in Tanzania that had accessed micro-credit in comparison to those that had not accessed micro-credit. In Uganda, Olutayo (2015), in a comparative study argued that bottlenecks in accessing business finance negatively influenced the performance of women owned MSEs in comparison to those owned by men. In Tanzania, the growth rate of women - owned MSEs appears to be very low-indeed, much lower than that of male- owned enterprises (UDEEC,2002). Most women are said to have little or no interest in commitment to business activities and entrepreneurial career. They are also said to have limited motivation for developing their activities to more sustainable and profit able levels.

In Kenya Mira and Ogollah, (2013) reported that challenges associated with access to business finance were negatively influencing the performance of women owned Micro and Small enterprises leading to the collapse of an estimated 48% of most of these ventures. Over the past years, the Kenya government has pursued policies that should provide fertile ground for small-business that include; Sessional paper No 2 of 2005 that deals with development of micro and small enterprises for wealth creation and employment creation for poverty reduction; Kenya's vision 2030 that stipulates the importance of MSE sector in playing a crucial role in the eradication of poverty through wealth creation. With an estimated 500,000 Kenyans joining the labour market every year, growth in the MSE sector is expected to benefit many young Kenyans. In the light of these support and incentive programs, it would seem reasonable to expect that small business would grow and flourish in Kenya. However, the effectiveness of these programmes remains unclear, and the rate of business failure continues to increase while others stagnate. Accordingly, this study explores the factors influencing the performance of women

micro and small owned enterprises in relation to all the programs established to help them succeed.

Women-owned MSEs are faced by threat of failure constantly, and most do not graduate into large enterprises (World Bank, 2014). Women entrepreneurs encounter challenges such as finding suppliers with competitive prices, securing finance to support their internal development and hiring skilled employees. In Africa, women MSEs have to contend with challenges of accessing business financial capital (Otoo, 2012) lack of business trainings and mentors (Fatoki, 2011), and low levels of entrepreneurial orientation (Bouazza, *et al.*, 2015). In Kenya, despite the potential of women enterprises to contribute to national economic development, financial and technical support by the government and private sector is lacking or inadequate (GOK, 2005). The Poverty Reduction Strategy Paper (1999-2015) supports micro and small enterprise as a key strategy for elimination of poverty and unemployment, but women-owned micro and small enterprises continue to fail and stagnate. The limitations women-owned MSEs face are formidable, thus a 60% rate of failure (Bowen, Morara&Mureithi, 2009; Republic of Kenya, 2013; and Kenya Bureau of Statistics, 2012). Most of these businesses do not survive their third anniversary (Ngugi, 2013). Women owned MSEs in Meru County are no exception, with most in danger of failure due to lack of mentors, lack of entrepreneurial training, constraints in access business loans, low levels of risk-taking propensity, and lack of competitive aggressiveness as evidenced by minimal marketing events undertaken by these MSEs.

The purpose of the study was to investigate on factors that influence the performance of women-owned Micro and Small Enterprises (MSEs) in Meru town, Imenti North Sub-county.

1. To establish the influence of access to business financial capital on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.
2. To establish the influence of entrepreneurial orientation factors on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.
3. To determine the influence of access to information communication technology on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.

4. To examine the influence of access to social capital on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.
1. How does access to business financial capital influence the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya?
 2. How do entrepreneurial orientation factors influence the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya?
 3. To what extent does the access to information communication technology influence the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya?
 4. What is the influence of access to social capital on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya?

The findings of this study will enlighten women-owned MSEs in Meru County on issues affecting performance of their business and how to mitigate or overcome these hurdles. Moreover, various stakeholders, including the Ministry of Public Service, Youth and Gender, Ministry of Trade, Micro-finance institutions and non-governmental institutions, will use the findings of this study to formulate favourable policies and establish structures to promote performance of women-owned enterprises. Finally, the study will add to the corpus of literature on women empowerment, entrepreneurship and project management.

The study presumed that the sample population was representative of the general population; that women entrepreneurs were aware of factors that influenced the performance of their MSEs, and that government's women empowerment officials and financial institutions managers would not be barred by their contractual agreement to volunteer information for the study.

The study was carried out among women-owned MSEs in Meru town in Imenti North Sub-County, Meru County, with data being collected from women entrepreneurs, government women empowerment officers and financial institutions' managers.

The study was constrained by logistical and financial problems, especially because the researcher had to fit within the schedules of women entrepreneurs and government women empowerment officers to administer respective questionnaires, and managers of financial institutions had little time to spare for interviews. The use of trained research assistants helped to alleviate some of the challenges.

Business Financial Capital

Refers to money or funds that women require to start maintain and grow their MSEs. This can be in form of government grants and loans, loans from financial institutions such as commercial banks and SACCOs

Entrepreneurial Orientation

Refers to the ability of women who own MSEs to be innovative in terms of creating new products or providing new services, to portray a competitive aggression in their businesses, exhibit readiness to take risks, be proactive in their MSEs and exhibit high levels of autonomy in terms of being independent minded while implementing their growth visions.

Information Communication Technology

For this study this refers to communication devices and in particular mobile phones, Computers and internet platforms that Woman entrepreneurs can use to improve The performance of their MSEs.

Micro and Small Enterprises

³⁵ A micro-enterprise means is a firm, trade, service, industry or a business activity whose annual turnover does not exceed five hundred thousand shillings and employees

Micro and Small Enterprises Performance

less than ten people. A ²⁷ small enterprise means a firm, trade, service, industry or a business activity whose annual turnover ranges between five hundred thousand and five million shillings and employees between ten and fifty people (GOK, 2011).⁵⁰ overall business activities and operations performed by women entrepreneurs in MSEs in strengthening their enterprise in terms of ⁵⁸ Sales Growth Index, Return on Sales, Change in Net Worth and number of employees engaged.

Social Capital

This refers to the belonging by women who own MSEs to formal or informal heterogeneous networks that either provides role models, business advice or financial support. Social capital either takes the form of bonding social capital (family and friends working with women that own MSEs, bridging social capital (other women with MSEs or business associates) and linking social capital (broader social network of women owned MSEs).

Woman owned MSEs

Refers to firms, trade, service, industry or business activities undertaken or ran by women that employ either less than ten people or between ten and fifty people and ⁶ whose annual turnover either does not exceed five hundred thousand shillings or

ranges between five hundred thousand and five million shillings.

This study is organized into five chapters. Chapter One introduces the study by delineating the background to the study, statement of the problem, purpose of the study which explained what the study intended to accomplish, research objectives and research question, significance of the study. This chapter also highlights delimitation and limitation of the study, and assumptions of the study. Chapter Two reviews relevant literature, bringing out what previous researchers have found out in the area of study, according to both the dependent and independent variables. It also presents the theoretical and conceptual frameworks. Chapter Three, Research Methodology, covers the research design, target population, sampling procedure, methods of data collection, and validity and reliability of data collection instruments. Chapter four entails data analysis, presentation and interpretation of findings, based on background information and variables of the study. Chapter Five covers summary of findings, discussions of the findings, conclusions and recommendations. It also provides suggestions for further studies.

This chapter looks at previous literature on the factors influencing the performance of women owned Micro and Small Enterprises. It also discusses the theoretical framework and the conceptual framework of the study.

2.2. Access to Business Financial Capital and Performance of Women owned MSEs

According to a global study by the Women's Enterprise Centre (2011), women entrepreneurs are faced with numerous barriers and challenges in their endeavour to accessing finance either as credit for business start-ups or for expansion of their already existing micro and small enterprises. Further the study puts it forward less access to finances such as soft business loans is an adverse factor influencing the undertaking of business operations such as the introduction of new products in a woman's business or the launching of new business branches by women entrepreneurs especially those operating Micro and Small Enterprises (WES, 2011). Similarly, the Organization for Economic Co-operation and Development (OECD) did point out that women run business start-up were operating at low financial capital due to lesser access to financial capital that women entrepreneurs face (OECD, 2013).

Daigneault (2012), for instance, found evidence that women entrepreneurs were still facing discrimination whenever they applied for credit from financial institutions in British Columbia due to existing perception of their level of risk taking austerity. This she further noted did influence business growth plans by women entrepreneurs such as accessing and using of ICT such as; websites for their business marketing which also had a negative influence on sales volumes and the consequently the performance of women-owned MSEs (Daigneault, 2012). Similar findings were demonstrated by Sparling and Douglas, (2013) who in their study reported that lesser access to financing and credit among female entrepreneurs as compared to their male counterparts was an adverse factor towards the performance and development of women-owned MSEs in British Columbia. Further, they contend demands by financial institutions for higher interest rates and obligation to provide a higher percentage of collateral in order to secure a loan did derail plans by women entrepreneurs to undertake various business operations such as the launching of new products in line with existing customers' demands negatively influencing sales volumes, profitability of women-owned MSEs (Sparling and Douglas, 2013). Similarly, Terjesen, and Amorós, (2010) found evidence that lesser access to finance was an adverse factor

to the performance of women-owned MSEs in the Caribbean and Latin America. This according to them was responsible to the low sales volumes emanating from poor marketing activities undertaken by these female entrepreneurs (Terjesen, and Amorós, 2010).

Studies in Europe also demonstrate that lesser access to finance to either stunt or expand existing women-owned enterprises do influence their performance (Jennings and Brush, 2013). Hisrich, Bowser and Smarsh (2006), had demonstrated how barriers to access to finance did influence the growth of women-owned micro and small enterprises in Ukraine through the limitation of business operations in these MSEs. Similarly, Aidis, Welter, Smallbone and Isakova, (2007) found evidence that access to finance is a huge struggle for women entrepreneurs in both Lithuania and Ukraine compared with their male counterparts. This they further demonstrate is as a result of fewer business contacts that women have or small business networks which is also positively correlated to the performance of their micro and small enterprises (Aidis, *et al.*, 2007). Kwong, Jones-Evans and Thompson, (2012) also argued that the lesser access to financing and credit among female entrepreneurs did limit the performance of women-owned MSEs in The U.K. They further contend that women entrepreneurs had less interest in securing business loans from banks and other financial institutions such as credit unions due to obligation to provide a higher percentage of collateral in order to secure a loan for the expansion of their small business firms (Kwong, 2012).

Moreover, Cesaroni, Lotti and Mistrulli (2013), did contend that access to bank loans and credit was a particularly pressing problem for Italian woman-owned enterprises, derailing the business operations of these businesses. They further argued that even when women secured loans, the amounts were lower compared to those advanced to their male counterparts, placing women-owned enterprises at worse competing positions such as they could not introduce new products to meet customers' demands or adopt the use of ICT such as a business website to market their businesses translating into low sales volumes and consequently low profitability (Cesaroni, *et al.*, 2013). In contrast, Pettersson and Sigrid-Hedin, (2010) found evidence that female entrepreneurs in Nordic countries were enjoying equal access to business financial capital like their male counterparts. This they contend did place women entrepreneurs at a good competing position

evidenced by women opening new branches for their micro and small enterprises and high profitability by women ran MSEs (Pettersson and Sigrid-Hedin, 2010).

Scholars in West Africa also found evidence that women operating micro and small enterprises faced numerous barriers towards accessing business credit (Otoo and Fulton, 2011). This is echoed by Adesua-Lincoln, (2011) in his study in Nigeria who found evidence that access to business credit from different financial institutions for female entrepreneurs was constrained by their (women) weak financial base and lack of collateral. This he further noted did influence the introduction of new products to micro and small enterprises operated by women leading to low sales volumes which in turn influenced their performance (Adesua-Lincoln, 2011). Halkias, Nwajiuba, Harekiolakis and Caracatsanis (2011), also postulated that access to business financial capital was a major contributing factor the performance of women-owned MSEs in Nigeria. They demonstrated how limited access to business credit influenced business operations decisions such as the introduction of new products in these businesses leading to poor performance (Halkias, *et al.*, 2011). The poor performance of women-owned MSEs in Gambia was associated to limited access to business loans due to existing social cultural factors (Della-Giusta and Phillips, 2006).

Naser, Mohammed and Nuseibeh (2009), in their study did contend that social cultural factors in Islamic traditions did limit women entrepreneurs from accessing business loans from financial institutions in Egypt. These they further argued that did limit the performance of women-owned MSEs as most did have enough financial capital to buy new stock for their existing businesses and therefore adversely influencing sales volumes (Naser, *et al.*, 2009). Similar findings were reported in a study by Welsh, Memili, Kaziak and Ahmed (2013), who observed that social cultural factors rooted in Islamic traditions limited women entrepreneurs in The Sudan from accessing business financial capital leading low business operations such as the undertaking of marketing activities which had negative influence on the sales volumes. This they found evidence did influence the performance of women-owned MSEs in the country (Welsh, *et al.*, 2013).

According to a study by Abebe, (2014) constraints emanating from social cultural practices that denied women right to collateral assets did hinder women from accessing business financial

capital from financial institutions in the form of business loans in Aksum City administration in Ethiopia. He further demonstrated how these did limit business operations such as the purchase of new business stock and expansion of existing microenterprises adversely influencing performance of the women-owned MSEs (Abebe, 2014). Similar findings were reported in an earlier study by Bekele and Worku, (2013) who demonstrated how limitations in relation to access to business financial capital influenced the performance of women run MSEs. They for instance noted that women-owned MSEs faced challenges in their expansion plans and also their undertaking of marketing activities which in turn influenced sales volumes and the eventual performance (Bekele and Worku, 2013).

Though governments in East Africa and in particular Kenya, (Omwono, Maungu and Wanza, 2015) have created affirmative programmes whose goal is to provide low interest funding for women entrepreneurs, studies show that women entrepreneurs are still facing challenges in relation to accessing business financial capital for their businesses. Maziku, Majenga and Mashenene (2014), did for instance demonstrate how social cultural factors were hindering women entrepreneurs from accessing business financial capital in the form of business loans from financial institutions in Tanzania. These they contend did adversely influence the expansion of business operations among women-owned MSEs such as increase in business stock and engaging in marketing activities reducing sales volumes and negatively influencing performance of women-owned MSEs (Maziku, *et al.*, 2014).

Several studies in Kenya also demonstrate the influence of access to business financial capital on women-owned MSEs. Mwobobia, (2012) found small-scale women entrepreneurs were facing challenges relating to access to business financial capital; bottlenecks that derailed business expansions plans in the terms of purchasing of new products demanded by customers adversely influencing sales volumes and consequently influencing the performance of women-owned MSEs. Hassan and Mugambi, (2013) in a study on the growth determinants of women-owned MSEs in Garissa did observe that women entrepreneurs operating micro and small enterprises did face bottlenecks in accessing business loans that would be used for the expansion of their business negatively influencing the performance of these women-owned MSEs. In contrast, Gichuki, Mulu-Mutuku and Kinuthia, (2014) did contend that women entrepreneurs were

5 accessing credit from village credit and savings associations which lead to better performance of 5 their micro and small enterprises. Mbithe and Mbuva, (2015) observed that 50% of sampled women entrepreneurs preferred government loans more than loans from financial institutions like banks and savings and credit cooperatives because these were both given at low interest rates and there existed limited barriers to accessing these loans.

2.3. Entrepreneurial Orientation Factors and Performance of Women owned MSEs

Brush, Bruin, Gatewood and Henry (2010), did contend that for women-owned MSEs to survive the current competitive global business environment there is need for these women entrepreneurs operating these types of enterprises to exhibit high levels of risk taking austerity, innovativeness, competitive aggressiveness and autonomy. This was supported by Zimmerman and Brouthers, (2012) who noted that women entrepreneurs especially those operating Micro and Small enterprises exhibit low levels of entrepreneurial orientation characterized by low levels of risk-taking propensity, innovativeness, competitive aggressiveness and autonomy. This is they further noted was evidenced by the fact that: most women led MSEs had only one branch business, few were undertaking marketing as a competitive tool to differentiate them with their competitors and most of them had to rely on their husbands or other close relatives for business related decision making adversely influencing their MSEs performance (Zimmerman and Brouthers, 2012).

Additionally, Soininen, (2012) found evidence that during the global financial crisis, very few women entrepreneurs operating small enterprises were undertaking marketing activities for their businesses due limited business financial revenues which negatively influenced the sales volumes of these women-owned MSEs. He also notes data evidence showed that very few women-owned MSEs had new products and or even opened new business branches an adverse factor to the profitability of these women led small firms in Finland (Soininen, 2012). Baker and Sinkula, (2009) also found evidence on the complimentary role that both entrepreneurial orientation characterized by innovativeness in the form of product innovation, pricing innovation and placement innovation and market orientation play and how these influences the profitability of small firms and in particular those owned by female entrepreneurs in England. They further argued that low levels of competitive aggressiveness characterized by the unwillingness by the

female entrepreneurs to undertake marketing activities for their businesses did influence sales volumes and the profitability of these women's small firms (Baker and Sinkula, 2009). Different findings were however reported by Sascha, Rigtering, Hughes and Hosman (2011), who found a positive correlation between the high levels of entrepreneurial orientation among women entrepreneurs in Netherlands characterized by high risk-taking propensity evidenced by the desire to open new business branches and also high product and service innovativeness witnessed by the introduction of new products and services in their small firms. They further contend that these coupled with a high number of marketing activities and the existence of ICT marketing tools such as business websites did have a positive influence on the sales volumes and profitability of the women-owned MSEs and also led to an increase in the number of people employed by these types of businesses (Sascha, *et al.*, 2011).

Different scholars in Asia found evidence on how entrepreneurial orientation influenced the performance of women-owned MSEs. Alam, Mohd-Jani and Omar (2011) in a study on women entrepreneurs in Southern Malaysia, postulated that low levels of entrepreneurial orientation evidenced by low levels of innovativeness among women entrepreneurs shown by the low levels of launching of new products in the women-owned MSEs did influence their performance. Further, they found evidence that these women entrepreneurs exhibited low levels of autonomy most of them relying on their closes relatives and in particular their husbands for business advice. All these coupled with low levels of competitive aggressiveness characterized by the non-desire to undertake marketing activities they noted were adverse factors on the sales volumes and the profitability of women-owned MSEs (Alam, *et al.*, 2011). Similarly, in a comparative study on different women-owned small firms, Li, Zhao, Tan and Liu (2008), pointed out that entrepreneurial orientation and in particular risk-taking propensity and competitive aggressiveness were important factors to the performance of women-owned MSEs in relation to market orientation in China. They also argued that it is those women-owned MSEs that undertook marketing activities, opened new business branches and were less reliant on their spouses for business advice or human capital that posted high sales and profitability positively influencing their performance (Li, *et al.*, 2008).

Entrepreneurial orientation among women entrepreneurs has also been found by different scholars to be an important determinant on the ⁴ performance of women-owned MSEs in Africa.

For instance, in a study on the impact of entrepreneurial marketing factors on competitive innovativeness among female entrepreneurs Abdelrahman, (2012) found evidence that it is those women entrepreneurs that exhibited a higher level of risk taking propensity characterized by the desire to both open new business branches coupled with product innovation that posted higher sales and profitability than those that had less risk-taking austerity or didn't introduce new products into their businesses. She further noted that women entrepreneurs that exhibited high levels of promotion innovation and pricing innovation were better placed to experience higher sales volumes and profitability in their enterprises than those that did not (Abdelrahman, 2012). Fatoki, (2014) found evidence that women-owned MSEs in South Africa did exhibit low levels of entrepreneurial orientation evidenced by the few marketing activities that these women entrepreneurs were undertaking and the lack of innovation evidenced by the failure to launch new products in these businesses. He also noted that female entrepreneurs did in most cases rely on their spouses or close relatives for business advice an adverse factor that influenced both the sales volumes and profitability of women-owned MSEs in the retail sector (Fatoki, 2014). Moreover, Amwele, (2013) noted that women entrepreneurs operating small enterprises in the retail sector in Windhoek, Namibia were exhibiting low levels of risk taking propensity evidenced by the failure to open new business branches by the same woman entrepreneur. She also found evidence that very few women entrepreneurs were willing to launch new products in their businesses or undertake marketing activities adverse factors that influenced both the sales volumes and profitability of these women-owned small enterprises (Amwele, 2013).

Msoka, (2013) did observe that women entrepreneurs in Tanzania unlike men did exhibit a low level of entrepreneurial orientation characterized by their limited risk austerity evidenced by their unwillingness to both introduce new products in their micro and small enterprises and open new business branches. Further, he argues that there was an also low level of competitiveness aggressive among these women entrepreneurs evidenced by their unwillingness to undertake marketing activities or adopt ICT that would make their businesses more visible than those of their competitors (Msoka, 2013). Similarly, Mwangi and Ngugi, (2014) did contend that there were low levels of entrepreneurial orientation among women entrepreneurs in Kerogoya town in Kenya which negatively influenced the performance and growth of women-owned MSEs in the town. They further noted that failure to market their business, overreliance on their spouses for

business advice coupled with the failure to both open new business branches and launch new products to meet customers' demands were adverse factors to the sales volumes and profitability of women-owned MSEs in the town (Mwangi and Ngugi, 2014).

2.4. Access to Information Communication Technology and Performance of Women owned MSEs

Several studies have demonstrated that access to Information Communication Technology (ICT) such as access and use of the Internet and Broadband, having a website for small businesses, using email (Hilbert, 2011) and mobile phones payment systems (Komunte, Rwashana & Nabukenya, 2012), play a key role in the performance of women-owned MSEs. In their study Komunte *et al.* (2012) further postulated that the incorporation of ICT and in particular mobile phone payment platforms in women run businesses not only reduced transaction costs but also enhanced market performance. ICT do also provide women entrepreneurs with an opportunity to easily plan their product mix and input purchases in an efficient manner as information on prices are readily available and also opens up new avenues for education, communication and information sharing and the marketable skills of women entrepreneurs are enhanced through training in emails, word processing and internet (Eggleston, Jensen & Zeckhauser, 2002).

However, the benefits that women's MSEs stand to accrue from access to ICT in terms of reduced broker's exploitation through the minimization of the information gap between the market and the women entrepreneurs is still hindered by the fact that women are still not conversant enough to use ICT in their businesses (Sharma, 2013). This is due to a multiplicity of factors such as; social norms and unavailability of adequate business networks Badran, (2010); Language barrier Hashim, (2007) and technological know-how (Vossenber, 2013). The important role that the access and use of ICT plays in influencing the performance of women-owned MSEs in Europe has been reported by different scholars. Papastathopoulos and Benekim, (2010) in their study in Greece did for instance demonstrate that the access and use of ICT among women entrepreneurs was influenced by attitude, knowledge and experience. They further demonstrated a positive correlation between ICT usage such as the use of email and business website on the performance of women owned MSEs (Papastathopoulos and Benekim, 2010). Further, Aidis, Welter, Smallbone and Isakova (2007), also demonstrated the limited

access of ICT among female entrepreneurs in Lithuania and Ukraine mainly emanating from the lesser access to business finance that would enable them purchase ICT for their business. They therefore contend that lack of enough business finance limited women entrepreneurs from adopting ICT such as: business websites for marketing their small enterprises which meant that they could reach far off markets and purchasing of computers which meant they could not easily communicate with suppliers and customers through email (Aidis, *et al.*, 2007).

Studies in Asian countries have also demonstrated different findings on the influence access and uses of different forms of ICT have on the performance of women-owned MSEs. Inmyxai and Takahashi, (2010) in their comparative study on the performance of women and men headed micro and small enterprises observed that women-owned MSEs faced challenges in accessing ICTs that men entrepreneurs easily accessed. These they contend did grant men headed MSEs better competitive platform influencing the sales volumes of women headed businesses eventually influencing the performance of women-owned MSEs (Inmyxai and Takahashi, 2010). Further, Malhotra, Kanesathasan and Patel (2012), had found evidence that access to ICT such as: mobile phones, computers and the internet could catalyze women-owned MSEs by creating avenues for better entrepreneur, supplier and customers communications which would ease business operations by making women entrepreneurs more effective and efficient. They also contended that access to ICTs created new ways of doing business such as online marketing which would increase sales volumes and positively influence women-owned MSEs (Malhotra, *et al.*, 2013). These findings were however disputed in a study in Mumbai by Chew, Ilavarasan and Levy, (2012) restricted only to women-owned MSEs in the trade and service sectors it was reported that the making available of mobile phones, computers, and Internet access to a microenterprise might increase the profits and the number of hired workers, but only minimally. Using this evidence, they therefore conclude there existed a very minimal influence of accesses to ICT and the performance of women-owned MSEs (Chew, *et al.*, 2012).

Hassanin, (2009) observed that limited access to ICT such as business website and computers arising from limited access to business finance and language barrier did constrain women owned MSEs in the artisan industry in Egypt from accessing modern international markets. Further, he argues that this did influence the sales volumes and business expansion plans of these micro

enterprises adversely influencing their performance (Hassanin, 2009). Similar findings were reported by Badran, (2010) who found evidence on the limited impact ICT was having on women entrepreneurs. However, Badran, (2014) disputed these findings by demonstrating how access to ICT was playing an important role in the performance of women-owned MSEs. He for instance demonstrated how the creation of small business websites was increasing international exposure for women-owned MSEs, increasing sales volumes and profitability for these businesses (Badran, 2014).

Motilewa, Onakoya and Oke, (2015) in a case study on access and use of ICT by two successful women entrepreneurs running a bridal shop and beauty spa in Nigeria reiterated that women face various challenges such as cultural barriers in growing their business, but ease of access and use of ICT does provide them with opportunities to grow their business ventures. Further, they argue that access and use of ICT for example business website did provide these women entrepreneurs with advantages such as; a global presence of their businesses, business and home tips that also provided them with opportunities for work-life balance while emails and mobile phones did assist the women with both customers and suppliers contacts positively influencing the performance of these two women-owned MSEs in Lagos (Motilewa, *et al.*, 2015). Moreover, Yitamben and Tchinda, (2009) in their study on internet use among women entrepreneurs in the textile sector in Doula, Cameroon did find a positive correlation between reduced cost and access and use of ICTs by these women. They also did contend that these did facilitate the participation of women-owned textile business in international markets positively influencing the sales volumes, leading to an increase in the number of workers and creating opportunities for business expansion (Yitamben and Tchinda, 2009). However, cost was a major barrier to the access and use of ICT and in particular mobile phones among women fish mongers in Senegal (Sane and Traore, 2009). This they further contend did create an information gap between their suppliers and customers adversely influencing the sales volumes of these women-owned MSEs (Sane and Traore, 2009).

In a Zimbabwean study, Dube, (2010) observed that women entrepreneurs faced bottlenecks in the accessing of ICT due to both the high costs of ICT and the unavailability of ICT network infrastructure. This he further postulated lead to women being exploited by brokers and also

limited marketing potential of the women entrepreneurs adversely influencing the performance of women-owned MSEs in Harare (Dube, 2010). Macueveet *al.*, (2009) demonstrated how lack of electricity infrastructure and poor network frequencies of electronics limited women entrepreneurs from optimally accessing and using their mobile phones to both contact their suppliers and customers. Further they noted that women did in most cases use their surplus money to meet their families' basic needs such as food instead of investing in ICT and therefore the information gap created as a result did influence business operations adversely influencing sales volumes in women-owned MSEs in Mozambique (Macueveet *al.*, 2009). Similar findings are reported in a study by Modiba, Ngassam and Eloff, (2009) who postulated that the access and use of ICT by women entrepreneurs operating MSEs to the growth of their businesses was positively correlated to the existing infrastructure. These findings were echoed in a study by Sewela, (2012) who demonstrated a positive relationship between the inadequate infrastructure, high costs of ICT and access to ICT among women entrepreneurs. She further found evidence that the limited access to ICT for instance; business website for marketing did influence sales volumes and the profitability of women-owned MSEs (Sewela, 2012).

Wasihun and Paul (2010) did contend that barriers such as cost of ICT, knowledge and experience emanating from language barrier did limit ICT access and use by women entrepreneurs in Addis Ababa. Further, they observe that though limited access to mobile phones, computers and internet did minimally influence the profits and number of hired workers in women-owned MSEs, it did limit their access to modern international markets that would increase their sales volumes and led to the possible expansion of these businesses (Wasihun and Paul, 2010). Different findings were however reported by Bakesha, Nakafeero and Okello (2009) who postulated that access to and use of ICT in particular mobile phones did enable women entrepreneurs in Uganda even those in the grassroots to be in constant communication with both their suppliers and customers. These according to them did increase sales volumes of women-owned MSEs leading to the posting of an improved performance by these MSEs (Bakesha, *et al.*, 2009). In contrast, Molony,(2007) found evidence that knowledge and experience emanating from language barrier did bring up trust issues limiting women entrepreneurs access and use mobile phones. This he argued did form an information gap between women entrepreneurs and

their suppliers and customers adversely influencing the sales volumes and profitability of women-owned MSEs (Molony, 2007).

2.5. Access to Social Capital and Performance of Women owned MSEs

According to Dah and Zolnik, (2011) social capital plays a key role in the performance of entrepreneurial ventures irrespective of the gender of the entrepreneur. However, studies have established that for most women entrepreneurs, social capital is more personal in nature as they seek guidance more often from their closer bonds that is spouses and parents and in some cases female neighbours (Klyver & Terjesen, 2007). On the contrary, Robinson and Stubberud (2011) in their study established that men's networks did comprise fewer kin and neighbours, but include more professional acquaintances and consultants affiliated with formal associations. This according to, Kelley *et al.*, (2010) is what ails women MSEs as they contend that social capital formed on friendship, family and kinship basis tends to decrease the chances of access to useful information and resources that are important in successful venture creation process. They further advise that social capital should be in the form of networks which would help women gain access to business advice; facilitate the formation of business partnerships and give them access to alternative sources of financing (Kelley *et al.*, 2010).

McGrath, Cohoon, Wadhwa and Mitchell (2010), found evidence that women entrepreneurs operating small business firms in Kansas City in the U.S were less successful at developing strong networks with other entrepreneurs or potential stakeholders and financial supporters. This they further contend was an adverse factor in the performance of women-owned small enterprises since these female entrepreneurs lacked mentors, friends with similar businesses from whom they could get business advice and were also limited in avenues through which they could get business financial credit to grow their enterprises (McGrath, *et al.*, 2010). Similar findings were observed by Bishop and Deason, (2013) who argued that failure by women entrepreneurs in Florida in the U.S to join business associations denied them opportunities to access business mentors that would offer them reliable business advice for their small enterprises. Further, they contend the overreliance by these women on their spouses, relatives and other close friends who had little or no business experience did work as an adverse factor to the performance of the women-owned small enterprises in the state of Florida (Bishop and Deason, 2013).

Millan, Congregado and Roman (2012), did demonstrate the key role that social capital plays in entrepreneurial ventures and in particular those started in by women in Europe. Achtenhagen and Tillmar, (2013) did postulate that female entrepreneurs in Nordic countries unlike their male counterparts exhibited reliance on their spouses and other closes relatives for the growth of their enterprises. They further noted that it is such overreliance on people with little or no business experience rather than engaging business mentors that leads to the poor performance of women-owned small enterprises (Achtenhagen and Tillmar, 2013). Similarly, On (2011) found evidence among women entrepreneurs in Romania operating MSEs to be more reliant on bonding social capital than bridging and linking social capital. This she had a positive correlation with the performance of women-owned small enterprises as they relied more on their spouses to advance to them business credit which was in most cases was in very low amounts and for business advise which was in most cases not in line with their business ventures adversely influencing the performance and growth of women run businesses (On, 2011).

The important role that social capital in its different forms plays in the performance of women owned MSEs has also nonetheless been established in Asian countries by different scholars. For instance, Tata and Prasad, (2008) in their study on social capital and performance of women owned MSEs did conclude that policies should be put in place to encourage women to embrace bridging and linking social capital in the form of mentors and business association more than overreliance of bonding capital. Correspondingly, in their study in Malaysia, though Ekpe, Mat and Al-Mamum (2014), classified social capital in the form of; network diversity, network size and network strength (bonding) they argued that each form has a key role in the performance of women owned MSEs. They for instance argued that women entrepreneurs that are part of a diverse network which didn't only include family members but also consisted of; work group, community association and religious groups had better access to credit and faster access to market information and their businesses performed better than those of women entrepreneurs whose network was only restricted within kin boundaries (Ekpe, *et al.*, 2014). In terms of network size Kim and Sherraden, (2014) did find a positive relationship between strong social networks and business start-up among women entrepreneurs but they however argued that this

was negatively correlated to women MSEs' revenues and growth in terms of introduction of new products and business branches opened.

Further, Souksavanh and Nobuaki, (2015) in their study did observe that women owned MSEs were relying more ⁷³ on bonding social capital than bridging and linking social capital. They also argued that overreliance on bonding social capital which majorly consisted of family members and friends did ⁴ limit access to business financial capital and market information for women entrepreneurs, ⁴ influencing the performance of women owned MSEs in Vietnam (Souksavanh and Nobuaki, 2015). Nguyen, Frederick, and Nguyen (2014) had reported similar findings by pointing out that women entrepreneurs in Vietnam were limited to the confines of bonding social capital adversely influencing the performance and growth of most women owned business. Similar findings were reported in a study in Bangladesh by Chowdhury and Amin (2011), who pointed out that women did rely more on their spouses, parents and friends for business advice for the ⁴ day to day running of their businesses. Noreen and Arshad, (2010) did argue that restricted mobility associated with Islamic traditions, did have adverse ²⁹ influence on the performance of women owned MSEs in Pakistan because they only relied on bonding social capital which in most cases comprised of family members limiting these women from accessing both business credit and professional business advice. Harrison, Scott, Hussain, and Millman (2014), observed that women entrepreneurs engaged in micro and small enterprises in China strongly relied on support from guanxi networks introduced to them through friends operating similar businesses in order to successfully grow their MSEs. This they argued did grant these women entrepreneurs' opportunities to access to business avenues in a business society largely dominated by guanxi networks which positively influenced the performance of women-owned MSEs (Harrison, *et al.*, 2014).

Heilbrunn, Abu-Asbeh, and Nasra (2014) ¹⁶ observed that women entrepreneurs engaged in micro and small enterprises in Israel strongly relied on support from husbands, partners, and relatives in order to successfully start and grow a business. This they argued did limit women entrepreneurs' avenues to sufficient business financial credit and access to reliable business advice which was an adverse factor to the performance of women-owned MSEs (Heilbrunn *et al.*, 2014). Different findings were noted by Vosta and Jalilvand (2014) who contended that most women-owned

MSEs that were performing exceptionally well in rural Iran were those run by women entrepreneurs that involved their family members in the business. This they argued was because family members provided affordable labor, offered business advice and also advanced business credit at affordable rates (Vosta and Jalilvand 2014).

Oke, (2013) in a study on the ²⁴ impact of social capital on the performance of women owned MSEs among tailors in the Ado-Ekiti market in Nigeria observed that women relied more on family for labour and friends for business advise. She further did postulate that though these did reduce expenditure on labour related expenses, it didn't positively influence both the business revenues and growth since most of the women tailors lacked professional mentorship from their bonding capital networks (Oke, 2013). Kuzwayo, (2011) in his study ²⁴ on the role of social capital in relation to the performance of women owned businesses in South Africa did find a positive correlation between the form of social capital and the performance of women MSEs. He further pointed out that most women operating MSEs were not members of professional bodies, associations, and clubs but they were members of women groups which did not link them to sources of business financial capital (Kuzwayo, 2011). Chirwa, (2008) in his comparative study on men and women-owned MSEs found evidence that men-owned MSEs were performing better than women-owned MSEs, because male entrepreneurs were better placed in developing strong networks with other entrepreneurs or potential stakeholders and financial supporters. This he further argued did enable the men to access business financial credit faster and at well negotiated interest rates and also granted them stronger marketing avenues and other business information that women missed due to their inability to develop such networks (Chirwa, 2008).

Tundui and Tundui, (2013) found evidence that access to social capital was an important factor in the financial performance of women owned MSEs in Tanzania. In particular, they contend that the performance of women owned MSEs was reported to be better for those women that both involved family members and adhered to business advice from these family members and their informal networks such as women associations (Tundui and Tundui, 2013). On the contrary, Hassan and Mugambi, (2013) did contend that women entrepreneurs operating MSEs in Garrisa town were disadvantaged by their inability to develop strong networks that would enable them access business advice from other entrepreneurs or potential stakeholders and access to financial

supporters. They further argued that women entrepreneurs in this town strongly rely on support from husbands and other close family members this they found was an adverse factor to the performance of women-owned MSEs (Hassan and Mugambi, 2013).

The study will be pivoted on three theories; Bourdieu's and Coleman's Social Capital Theory, Schumpeter's Innovation Theory and Theory of Imperfect Information in Capital Markets.

2.5.1. Bourdieu's and Coleman's Social Capital Theory

According to Bourdieu, (1986) social capital is the aggregate of the actual potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Social capital for Bourdieu is related to the size of network and the volume of past accumulated social capital commanded by the agent in this case women entrepreneurs operating MSEs (Bourdieu, 1986). Coleman, (1988) another proponent of Social Capital theory views social capital as *productive*, i.e. it is used so that actors (women entrepreneurs operating MSEs) can achieve particular ends that would have been impossible without it. So, it has a clear instrumental purpose. Like Bourdieu, Coleman defines social capital as a collective resource utilizable by actors (women entrepreneurs operating MSEs) who are goal-oriented. Social capital requires an element of *embeddedness* in social structure.

Like Bourdieu, Coleman, (1988) sees social capital as essentially residing in the social structure of *relationships* among people. This dimension sets it apart from both financial and human capital. Unlike Bourdieu though, Coleman sees social capital as a *bonding* mechanism which adds to the *integration* of social structure. For Coleman, social structure predates the agent who can use embedded social capital as a resource (Coleman, 1988). This theory addresses research question four which seeks to unpack the influence of social capital on the performance of women-owned MSEs, the theory will explain the important role that social capital plays in the daily business operations of these types of enterprises influencing their sales volumes and profitability.

2.5.2. Schumpeter's Innovation Theory

Schumpeter, (1934) pioneered in highlighting the role of innovation in the entrepreneurial process. He describes a process of "creative destruction" where wealth creation occurs through disruption of existing market structures due to introduction of new goods and/or services that cause resources to move away from existing firms to new ones thus allowing the growth of the new firms. Accordingly, Schumpeter calls innovation the specific tool of entrepreneurs, the means by which entrepreneurs exploit change as an opportunity for a different business or a different service. Schumpeter, (1934) further stressed the role of entrepreneurs as primary agents effecting creative destruction, and emphasized to the entrepreneurs the need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation; as well as their need to know and to apply the principles of successful innovation.

This theory addresses research question two which seeks to unpack the influence of entrepreneurial orientation on the performance of women-owned MSEs, the theory will explain the important role that innovation, risk-taking propensity and competitive aggressiveness plays in the daily business operations of these types of enterprises influencing their sales volumes and profitability through the introduction of new products and services, opening of new business branches and undertaking marketing activities.

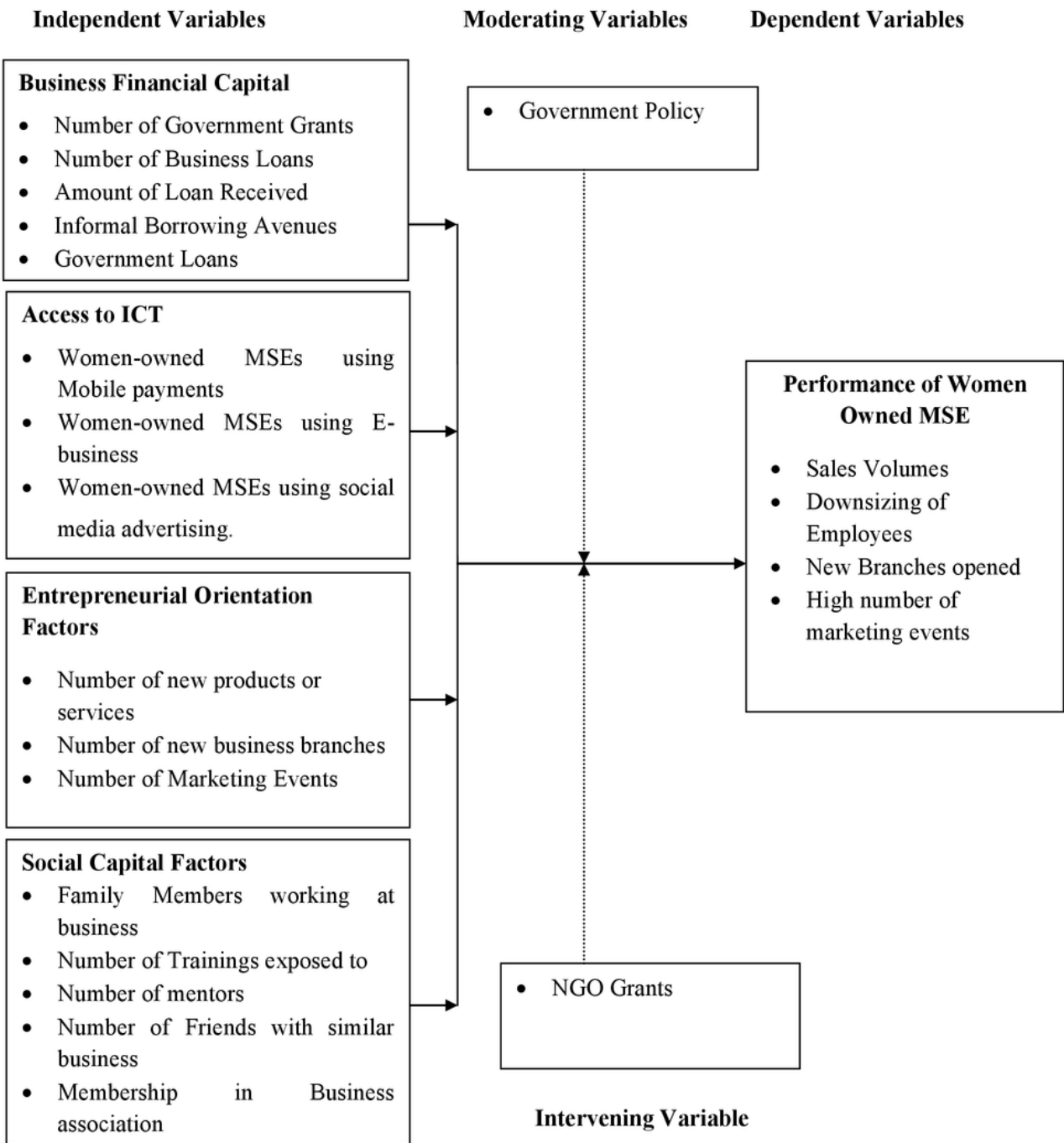
2.5.3. Theory of Imperfect Information in Capital Markets

Stiglitz and Weiss, (1981) a proponent of the theory of Imperfect Information in Capital Markets argued from the lender's perspective (or supply side), financial institutions (SACCOs, Banks and Microfinance institutions) have difficulty differentiating between good (high quality) and bad (low quality) loan applicants (Women Entrepreneurs). As a result, these financial institutions are likely to adopt more stringent lending policies favouring those who are able to provide more collateral assets, or who have a more established credit record which most women entrepreneurs operating MSEs are not in a position to do. In other words, these financial institutions have to adopt credit rationing measures to minimize problems from adverse selection and moral hazard. The potential for credit rationing is thought to be greater for small firms such as women-owned MSEs.

Petersen and Rajan, (1994) another proponent of this theory argued from demand side putting it forward that the amount of information that financial institutions could acquire is usually much less in the case of small firms such as women-owned MSEs, because financial institutions have little information about these firms' managerial capabilities and investment opportunities. The extent of credit rationing to women-owned MSEs may also occur simply because they are not usually well-collateralized (Petersen and Rajan, 1994). This opaqueness particularly undermines lending from institutions that engage in more impersonal or arms-length financing, requiring hard, objective, and transparent information. A mismatch between demand for finance and supply of finance can arise due to asymmetry in information and consequent difficulty in distinguishing between good and bad loans, leading to the application of credit rationing. This is potentially more severe for MSEs than for large enterprises (Hyytinen and Pajarinen 2008).

This theory addresses research question one which seeks to unpack the influence of access to business financial capital on the performance of women-owned MSEs, the theory will explain the important role that access business loans from financial institutions and government in the daily business operations of these types of enterprises influencing the introduction of new products or services, sales volumes and their profitability.

Orodho (2009) defines a conceptual framework as a model of presentation where a researcher represents the relationship between variables in the study and shows the relationship diagrammatically. The performance of women-owned MSEs is influenced by these factors: Access to business financial capital, Entrepreneurial Orientation, Access to ICT and Social Capital Factors. The influences brought about by these factors either directly or indirectly are the study's independent variables and their relationship with the study's dependent variable (Performance of women-owned MSEs) is as illustrated in Figure 1.



Source: Researcher 2017

2.8. Interaction of Variables

The dependent variable in this study is Performance of Women-Owned Micro and Small Enterprises (MSEs). It is measured through sales volume, lateral expansion, number of employees and number of marketing events. The independent variables are access to financial business capital, entrepreneurial orientation factors, access to information communication technology (ICT) and to social capital. Financial business capital affects business performance because women need not only credit, but affordable loans for their businesses. Entrepreneurial orientation factors entail the ability of a business to introduce new products, expand to new markets and engage in marketing, all of which affect how a business performs. Information Communication technology encompass the use of mobile phones, mobile payments, social media marketing and websites for marketing purposes, as strategies of increasing market penetration and dominance, hence sales and profitability. Finally, access to social capital refers to the ability of a woman entrepreneur to utilize family members in business; participate in business associations and networks, and work under a mentor, all of which have implications for business performance. The moderating variable is government policies, which have the ability to influence performance but are not considered in this study. NGO grants are the intervening variable, with a remote chance of affecting performance of women-owned MSEs.

Most of the researchers mentioned in the literature review did not research on the four variables in their targeted areas of study. Daigneault (2012), for instance, found evidence that women entrepreneurs were still facing discrimination whenever they applied for credit from financial institutions in British Columbia due to existing perception of their level of risk taking austerity

The Organization for Economic Co-operation and Development (OECD) did point out that women run business start-up were operating at low financial capital due to lesser access to financial capital that women entrepreneurs face (OECD, 2013). This study, will be out to research if less business capital influence performance of women owned MSEs.

¹⁸ This chapter contains the research design that was used in the study, the ²⁵ target population, sampling procedure, methods of data collection, validity and reliability of the questionnaires which were used for data collection, operationalization of variables, methods of data analysis and ethical considerations to be observed.

According to Orodho, (2003) ¹¹ research design is the structure that directs the implementation of a research method, and the ensuing analysis of acquired data. It provides a framework for the generation of evidence that is suited both to a certain set of criteria and to the research question in which the investigator is interested. ⁶ This study adopted a descriptive survey research design to investigate the ⁷¹ factors that influence the performance of women owned MSEs in the study locale. Cooper and Schindler, (2008) ¹¹ observed that a descriptive research design is used when data is collected to describe persons, organizations, settings or phenomena. Descriptive survey research design is ideal for this study because it will facilitate the gathering of both qualitative and quantitative data on how study variables such as; access to business financial capital, entrepreneurial orientation, access to information communication and technology and access to social capital and their influences ²⁴ on the performance of women owned MSEs in the study locale. Further, through this design, the study established the link between study variables and study problem.

According to the Kenya National Chamber of Commerce and Industry-Meru Branch, there were 143 registered women-owned MSEs in Meru Town. This study concentrated on women entrepreneurs because they are expected to have a wealth of information on the research topic from their experiences of working this industry. The study also sought information regarding the research topic from the 17 government's women empowerment officers and the 41 financial institutions present in the study locale. This is represented in Table 3.1 on Target Population

Respondents	Target Population
Women Entrepreneurs with MSEs	143
Government women empowerment officers	17
Financial institutions managers	41
Total	201

Source: Kenya National Chamber of Commerce and Industry-Meru Branch, SASRA and Kenya Association of Bankers (2016)

Lohr, (2010) defines sampling as the procedure by which elements of population are selected as representation of the total population. The sampling techniques that were used in this study were Stratified and Simple Random sampling.

The sample size for the study was 128 individuals drawn from a targeted population of 201 respondents. This sample size was obtained by applying Aday and Cornelius, (2006) sample size determination formula: $n = (Z^2 \cdot PQ / \alpha^2)$ as shown in 3.4.2 sampling procedure.

Stratified and Simple Random sampling techniques were used in this study. The target population for the study was grouped into three different categories and stratified sampling ensured proper representation of respective study respondents (Fuller, 2009). Simple random sampling was then used to select the final subjects proportionately from different strata.

The sample size was computed as follows:

At 95% confidence level or probability of 0.05, sample size n can be calculated as:

Desired sample $n = (Z^2 \cdot PQ / \alpha^2)$

Where Z = Critical value of Z at 0.05 which is equal to 1.96

P = Accessible proportion of the target population = 50%

Q = In accessible proportion of the target population = 50%

The acceptance error estimate = α .

Using the above formula, the maximum sample size (n_0) required from a large population of 10,000 or more units would be 384 units. The sample size can be adjusted with respect to target population as:

The adjusted sample size $n_1 = n_0 / (1 + n_0 / N)$. Where N is the size of the target population in the area of study.

The adjusted sample size $n_1 = 1 + 384 / (1 + 384 / 201) =$

$384 / 201 = 1.91$, $1.91 + 1 = 2.91(3)$, $1 + 384 = 385$,

$385 / 3 = 128$

$n_1 = 128$

Babbie, (2010) defines a sampling frame is a list of population from which a sample will be drawn. It's a published list in which or a set of directions for identifying a population.

Respondents	Target Population	Sample Size
Women Entrepreneurs with MSEs	143	97
Government women empowerment officers	17	12
Financial Institutions Managers	41	19
Total	201	128

The data for this study was collected through questionnaires and an interview guide. Graziano and Raulin (2013) define a questionnaire as a self-report data collection device that each research participant fills out as part of a research study. Questionnaires were used because they are free from the bias of the interviewee and respondents have adequate time to give well thought-out answers. The questionnaires also provide relatively straightforward information to analyse (Osborne, 2008). Primary data was collected using a structured questionnaire because it is easy to administer as each item is accompanied by choice answers. The questionnaire consisted of both closed and open-ended questions to elicit quantitative and qualitative responses. The questionnaire had divided in 5 sections; one for demographic information and one section each for each of the objectives. A register of questionnaires issued was maintained to track issuance and return / collection.

The second research instrument that the study used was an unstructured interview guide for financial institutions' managers. It was important to use this tool to enable respondents the freedom to fully express themselves without limitations, and ensure the researcher gathered supplementary information which otherwise would be difficult to get (Roulston, 2010). Personal interviews conducted with the help of the interview guide will gave the researcher an opportunity to probe for more information and the respondent an opportunity to ask the researcher any questions regarding the research (Roulston, 2010).

Zikmund, Babin, Carr and Griffin (2010), define validity of a research instrument as the ability of the instrument to measure what it is expected to measure. Validity is achieved when a scale

measures what it is intended to measure (Saunders, *et al.*, 2009). The researcher looked into content validity of the research instruments through constant consultations with the study's supervisor. This helped the researcher to establish whether the chosen measurement tools included a sufficient and indicative set of items to cover the concept under study. Consultations also assisted the researcher in making modifications to the structure of research tools as advised by experts.

A reliable instrument is one that is free from error and gives consistent results. It is these consistent results that will give the researcher confidence that the results actually represent what will be measured (Zikmund *et al.*, 2010). The study adopted internal consistency procedure, by use of Cronbach Alpha to check the reliability of instruments to be used in the study. Alpha values range from 0 to 1 and generally a value of 0.7 is an acceptable level of reliability in social sciences research with 0.8 and or higher indicating good reliability of the instruments (Zikmund *et al.*, 2010). Further, to check reliability of the research instruments and address any deficiencies in the research instruments, a pilot study was conducted using 1–10% of the main sample size as recommended by (Mugenda and Mugenda(2003). Therefore, the pilot study was conducted on 13 respondents. The research instruments used in this study had a reliability coefficient of 0.78 which indicates they were reliable.

Data analysis is the process of bringing order, structure and meaning to the mass of collected data (Mertler and Vannatta, 2010). To ensure that data is entered correctly, scores are high or low and how many in each category, the researcher developed frequency and percent distribution using SPSS version 21.0. SPSS was used because it helps to spot data entry errors or unusual data points and has full set of statistical tests. The data from interview guide and open-ended questions was analysed through content analysis by presenting data in themes as per the research objectives. Frequencies and percentages were used to summarize information.

To establish the existence of a significant relationship between the study's variables and the unique importance of each of the study's four variables with respect to women MSEs' performance, the researcher applied Pearson Product-Moment correlation (Pearson r). This is a flexible method of data analysis that is suitable in situations when quantitative variables (the

dependent) are to be examined in correlation to any other factors. A linear correlation between any two of the study's independent variables was sought and their unique influence on the dependent variable (Hair *et al.*, 2009) measured.

Denscombe, (2007) defines the operational definition of variable as ⁴⁸ the Actual method, tool, or technique which indicates how the concept will be measured. The variables are defined as shown on Table 3.3.

Objectives	Variable	Indicator	Measurement	Measurement Scale	Data Collection Method	Data Analysis
To establish the influence of access to business financial capital on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.	Independent Variable Business Financial Capital	Number of Government Grants Business Loans	Number of government women empowerment officials and women entrepreneurs with MSEs reporting that the existence of government grants and their influence on the performance of women-owned MSEs Number of women entrepreneurs with MSEs reporting that the number of business loans they receive from financial institutions and Financial institutions managers reporting the existence of business loans and their influence on the performance of women-owned MSEs	Nominal Scale Nominal Scale	Questionnaire Questionnaire and Interview Guide	Descriptive Statistics Descriptive Statistics
To establish the influence of entrepreneurial orientation factors on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.	Independent Variable Entrepreneurial Orientation Factors	Informal Borrowing Avenues	Existence of informal borrowing avenues and their influence on the performance of women-owned MSEs	Interval Scale	Questionnaire and Interview Guide	Descriptive & Inferential Statistics
		Government Loans	Number of government women empowerment officials and women entrepreneurs with MSEs reporting that the existence of government loans and their influence on the performance of women-owned MSEs	Nominal Scale	Questionnaire	Descriptive Statistics
		Existence of financial capital access barriers	Number of financial managers and government women empowerment officials reporting ways in which their institutions have reduced barriers to accessing business financial capital for women MSEs.	Nominal Scale	Questionnaire and Interview Guide	Descriptive & Inferential Statistics
To establish the influence of entrepreneurial orientation factors on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.	Independent Variable Entrepreneurial Orientation Factors	Number of new products or services	Number of women entrepreneurs with MSEs reporting that they have introduced new products and or services and how their influences the performance of their enterprises.	Nominal Scale	Questionnaire	Descriptive Statistics
		Number of new business branches	Government officials reporting failure by the women entrepreneurs they work with to introduce new products/service and the influence of this to women-owned MSEs Number of women entrepreneurs with MSEs reporting that they have opened new branches and how this influences the performance of	Interval Scale Nominal Scale	Questionnaire Questionnaire	Descriptive & Inferential Statistics Descriptive Statistics

<p>12 To determine the influence of access to information communication technology on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.</p>	<p>Independent Variable Access to information communication Technology</p>	<p>Number of Marketing Events Women-owned MSEs using Mobile payments Women-owned MSEs using E-business Women-owned MSEs using social media advertising.</p>	<p>their enterprises. Marketing events that women entrepreneurs with MSEs undertake and how this influences the performance of their enterprises. Number of women entrepreneurs with MSEs and financial institutions managers reporting that the use mobile payment platform in women MSEs influences the performance of these enterprises. Government women empowerment officials and women entrepreneurs with MSEs reporting the existence of MSEs using E-business and the influence of these on the performance of women-owned MSEs Existence of social media advertising among women-owned MSEs and how this influences performance of these enterprises.</p>	<p>Interval Scale Interval Scale Interval Scale</p>	<p>Questionnaire Questionnaire Questionnaire</p>	<p>Descriptive & Inferential Statistics Descriptive Statistics Descriptive & Inferential Statistics Descriptive & Inferential Statistics</p>
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<p>To examine the influence of access to social capital on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.</p>	<p>Independent Variable Social Capital Factors</p>	<p>Family Members working at business Number of Trainings exposed to. Number of mentors. Membership in Business association Friends with similar business</p>	<p>Number of women entrepreneurs with MSEs reporting the existence of family members working in their MSEs and how these influence the performance of their enterprises. Number of women entrepreneurs with MSEs reporting the existence of business trainings and how these influence the performance of women-owned MSEs. Number of Business Trainings attended influence the performance of individual women entrepreneurs and their enterprises. The number and access to mentors influences the performance of women-owned MSEs Women entrepreneurs with MSEs reporting that they belong to business associations and the influence of these on their enterprises. Number of women entrepreneurs with MSEs reporting that their friends have similar businesses and the influence of these on their enterprises.</p>	<p>Nominal Scale Nominal Scale Interval Scale Nominal Scale Interval Scale Nominal Scale</p>	<p>Questionnaire Questionnaire Questionnaire and Interview Guide Questionnaire and Interview Guide Questionnaire Questionnaire</p>	<p>45 Descriptive Statistics Descriptive Statistics Descriptive & Inferential Statistics Descriptive Statistics Descriptive & Inferential Statistics Descriptive Statistics</p>
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The study was based on voluntary participation of respondents, with the latter being informed that the information they provided would be treated with confidentiality and was for academic research purpose only. The researcher also sought a permit from the Commission for Science, Technology and Innovation (NACOSTI).

This chapter deals with data analysis, presentation and interpretation, based on corresponding sections of data collection instruments (questionnaires and interview guide) and respective research objectives. Data is presented in frequency tables, with pertinent interpretations. The aim of the study was to investigate factors that influence the performance of women-owned Micro and Small Enterprises (MSEs) in Meru town, Imenti North Sub-county, Meru County, Kenya.

The sample for this study was 128 individuals, comprising 97 women MSE owners, 12 government officers and 19 managers of financial institutions. Ninety (90) of the questionnaires issued to women SMS owners (92.7%) and 12 questionnaires administered to government officers (100%) were returned, while 14 managers of financial institutions (73.6%) were interviewed. According to (Mugenda & Mugenda, 2003), the corresponding return rates are above 70%, hence should be considered very good.

The study sought to establish the age, gender, educational levels, and length of time in business or professional work for respective respondents.

4.3.1. Age Distribution of Women Entrepreneurs and Government Officials

The study sought to establish the ages of women MSE owners and government women empowerment officers. Corresponding responses are summarized in Table 4.1.

Table 4.1. Distribution of Women Entrepreneurs and Government Officials

Age	Women Entrepreneurs		Government Officials	
	Frequency	%	Frequency	%

20-29 Years	27	30.0	4	33.3
30-39 Years	29	32.2	5	41.7
40-49 Years	18	20.0	3	25.0
Over 50 Years	16	17.8	0	0
Total	90	100.0	12	100.0

According to Table 4.1, Majority of women MSE owners (32.2%) are aged between 30 and 39 years. On the other hand, majority of government women empowerment officers fall within the age bracket of 30-39 years. The close correspondence in age between these groups is likely to promote understanding and enhance the performance of women businesses.

4.3.2. Education Levels of Women Entrepreneurs and Government Officers

The study further sought to find out the highest level of education respective respondents had attained. Table 4.1 presents the findings.

Table 4.2. Education Levels of Women Entrepreneurs and Government Officers

Highest Education Level	Women Entrepreneurs		Government Officers	
	Frequency	Percent	Frequency	Percent
Secondary School	16	17.8	0	0
Certificate / Diploma	42	46.7	5	41.6
Bachelors	24	26.7	5	41.7
Masters and above	8	8.9	2	16.7
Total	90	100.0	12	100.0

Based on Table 4.2, majority of women entrepreneurs (46.7%) had attained certificate or diploma level, while majority of the government officers had either attained certificate or diploma level (41.6%) or bachelor's degree (41.7%). This data is indicative of relatively high levels of education for both entrepreneurs and government officers, thus increasing the likelihood of improved business performance owing to acquisition and comprehension of relevant entrepreneurship-oriented information.

4.3.3. Gender distribution of government women empowerment officers

The study also requested for information on gender orientation of government women empowerment officers. It was established that the numbers were equally divided between men and women.

4.3.4. Business and Work Experience of Women Entrepreneurs, Government Officers and Financial Institutions' Managers

The study sought to establish the number of years women MSE owners had been in business, the number of years government women empowerment officers had been in their current positions, and the duration financial institution managers had been lending money to women entrepreneurs. Table 4.3 presents respective responses.

Table 4.3. Women Entrepreneurs, Government Officers and Financial Institutions' Managers Experiences

Period in Business / Lending Service	Women Entrepreneurs		Government Officers		FIs' Managers	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
0-5 Years	30	33.3	2	16.7	1	7.1
6-10 Years	33	36.7	7	58.3	3	28.6
11-15 Years	18	20.0	3	25.0	4	21.4
16-20 Years	9	10.0	0	0	6	42.9
Total	90	100.0	12	100.0	14	100.0

According to Table 4.3, majority of women entrepreneurs (36.7%) had been in business for a period of 6-10 years, followed closely by those who had worked for about 5 years. Among government women empowerment officers, majority (58.3%) had served for 6-10 years. Moreover, most of the financial institutions' managers (42.4%) had been in service for 16-20 years. This data indicates that all the three categories of respondents had been involved in women financial empowerment for long enough to understand factors that influence the performance of women owned Micro and Small Enterprises (MSEs).

4.4. Access to Business Financial Capital

The first objective of the study was to establish the influence of access to business financial capital on the performance of women-owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya. To this end the researcher requested for information on women MSE owners' access to government loans and grants, credit from financial institutions, borrowing from the informal sector and barriers to acquisition of capital.

4.4.1. Access to Government Grants and Loans

Government women empowerment officers indicated that the government had affordable loan products for women entrepreneurs. When women entrepreneurs were asked whether they had accessed government loans for MSEs, majority (54.4%) indicated they had not benefitted. Apparently, government funds meant for women entrepreneurs are not benefiting as many women as expected, yet such an initiative is likely to impact entrepreneurial ventures positively.

The study probed women entrepreneurs on their responses on access to government loans and how this influenced performance of corresponding businesses. Their responses are contained in Table 4.4.

Table 4:4. Influence of Government Loans on Performance of Women's MSEs

Responses	Frequency	Percent
Government loans promote business because they are easier to repay	29	32.2
Government loans have less stringent and fewer application procedures	12	13.3
Amounts of government grants are negligible	13	14.4
Government loans favour groups, not individuals	36	40.0
Total	90	100.0

According to Table 4.4., it is evident that majority of those who had borrowed government loans (70.7%) valued this form of credit because of ease of repayment. However, majority of those who had not benefitted from government loans (73.5%) felt that these credit facilities favoured groups instead of individual borrowers such as women MSE owners.

4.4.2. Access to Business Loans from Financial Institutions

The study also requested women MSE owners to indicate whether they had accessed credit for their businesses from financial institutions such as SACCOs, commercial banks and microfinance institutions. Majority of the respondents (63.3%) indicated they had not been funded by these institutions.

Women entrepreneurs and financial institution managers were further asked to indicate how access to credit from these institutions influenced performance of women-owned MSEs. Their responses are presented in Table 4.5.

Table 4.5. Explanations of Access to Credit from Financial Institutions

Explanations	Frequency	Percent
Entrepreneur able to pay suppliers on time	20	22.3
Capital for investment increased	13	14.4
Entrepreneur feared default and attendant consequences	57	63.3
Total	90	100.0

According to Table 4.5., majority of the women had not accessed loans from financial institutions because they feared default on credit and the consequences of such actions. Managers of financial institutions corroborated this information, indicating that the rate of borrowing from women entrepreneurs was relatively low. Those who had accessed credit from financial institutions indicated that they had adequate capital to invest and could restock their businesses on time, which implies that the vice versa was true for those who were unable to borrow from this source.

4.4.3. Barriers Faced by Women Entrepreneurs When Accessing Credit from Financial Institutions

The study sought to establish from women MSE owners and bank managers the barriers women faced while accessing credit from financial institutions and strategies to mitigate these encumbrances. The responses of women entrepreneurs are summarized in Table 4.6.

Table 4.6. Barriers to Credit Access in Financial Institutions for Women MSE Owners

Barriers to Credit Access	Frequency	Percent
Lack of collateral	45	50.0
Lack of Guarantors	7	7.8
Lengthy and complex borrowing procedures	13	14.4
High interest rates	25	27.8
Total	90	100.0

According to Table 4.6, majority of women entrepreneurs (50%) considered lack of collateral to be the greatest impediment to access to credit from financial institutions. High interest rates (27.8%) were also a significant hindrance. Further, the respondents indicated that these barriers had negatively influenced performance of their businesses, because women entrepreneurs could not access capital straightforwardly, and even when they did so, the cost of the loan was too high to realize envisioned profits.

The study sought to know from women entrepreneurs, government women empowerment officers and financial institutions' managers the measures that should be taken to reduce barriers to credit access. Their responses are summarised in Table 4.7.

Table 4:7. Measures to Reduce Credit Access for Women Entrepreneurs

Women Entrepreneurs	Government Officers	Financial Institutions' Managers
1. Advancing unsecured loans to women MSEs,	1. Advancing interest-free loans to women entrepreneurs	1. Reducing interest rates
2. Reducing credit requirements and easing the process of application	2. Sensitizing and assisting women entrepreneurs to apply for Affirmative Government Procurement Opportunity (AGPO) initiative	2. Eradicating collateral requirements
3. Sensitizing women on government loans	3. Women MSE owners to be sensitized on issues of capital and credit access.	
4. Forming women business associations to fight for the welfare of female MSE owners		

From Table 4.7, it is evident that easing collateral requirements and reducing or eradicating interest rates are the main recommendations for easing access to credit by women entrepreneurs, according to the three categories of respondents. However, apart from the interest-free loans none of the other measures effectively addressed the key barriers to credit access mentioned by women.

The study also asked managers of financial institutions what measures they had instituted to reduce barriers that confronted women entrepreneurs while accessing credit from banks, micro-finance institutions and SACCOs. The following are some of the responses of the managers.

“We encourage women to save with banks.”

“We encourage women to invest in assets for use as collateral when borrowing.”

“We offer security-free loans with minimal chattels.”

“We encourage group borrowing-and-guaranteeing system, which negates the need for collateral.”

4.4.4. Access of Credit from Informal Avenues

The study sought the opinions of women MSE owners, government officers and managers of financial institutions, on whether women accessed credit / capital from informal avenues, and how this affected performance of respective MSEs. All government officers indicated that the women MSE owners they worked with borrowed from table banking groups and other forms of informal lending. This was corroborated by majority of the women entrepreneurs (94.4%). This data indicates that informal borrowing is a significant source of capital for most women entrepreneurs.

The study further sought to establish how informal borrowing affected performance of businesses. Table 4.8. summarizes their responses.

Table 4:8. Influence of Informal Borrowing on Business Performance

Responses	Frequency	Percent
Loans from table banking have fewer restrictions	53	58.9
Table banking loans are easier to repay	32	35.6
I have never borrowed from informal avenues	5	5.6
Total	90	100.0

According to Table 4.8., majority of women MSE owners (58.9%) informal borrowing, especially in form of table banking loans, influenced business performance positively because group-based loans had fewer and less stringent conditions. In addition, government women empowerment officers asserted that table banking loans were convenient and crucial for business performance because they enabled women entrepreneurs to restock their business and to solve cash liquidity problems. In contrast, majority of financial institutions' managers (78.6%) considered informal borrowing to be of little positive influence on performance of women-owned MSEs, indicating that the amounts advanced to women entrepreneurs in these groups

were too small to impact MSE performance positively. One bank manager commented that “Informal groups charge high interest rates, thus influencing profit margins and the ability of businesses to repay the loans.” However, 25% a manager of a microfinance institution opined, “Informal groups encourage saving thus, contributing moderately to SME performance.” It is evident that informal borrowing has a positive impact on performance of women-owned MSEs.

4.4.5. Rating of Various Aspects of Access to Capital and their Influence on Performance

The study requested women entrepreneurs and government women empowerment officers to rate the influence of several aspects of access to capital on performance of women-owned MSEs. Table 4.9. presents their combined responses.

Table 4.9. Aspects of Access to Capital and Performance of Women-Owned MSEs

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	F	%	F	%	F	%	F	%	F	%
	Access to government loans influences business performance.	42	46.7	23	25.6	8	8.9	14	15.6	3
Amount of credit advanced by financial institutions and government does not influence business performance.	59	65.6	6	6.7	5	5.6	14	15.6	6	6.7
Barriers to credit access do not influence business performance.	14	15.6	46	51.1	13	14.4	10	11.1	7.8	7.8

According to Table 4.9, majority of women entrepreneurs (46.7%) strongly disagreed that access to government loans influenced performance of their businesses, which is understandable considering only a few of them had benefitted from this credit source. When the same question

was put to government women empowerment officers, majority of them (58.3%) corroborated the information given by women entrepreneurs. Similarly, majority of the women (65.6%) strongly disagreed that amount of credit advanced by financial institutions and the government does not influence performance of women-owned MSEs. This information was buttressed by majority of government officials (75%), after being asked the same question. Additionally, majority of the women entrepreneurs (51.1%) disagreed that barriers to credit access do not influence performance of their businesses. Majority of state officers dealing with women empowerment (66.7%) expressed similar opinions.

4.4.6. Pearson Product-Moment Correlation on Access to Business Financial Capital and Performance of Women-Owned MSEs

To establish the relationship between access to business financial capital and performance of women-owned MSEs, Pearson Product-Moment Correlation was run. Table 4.10. summarizes the results.

Table 4.10. Correlations of Access to Business Financial Capital and Performance of Women-Owned MSEs

		Access to Business Capital	Performance of MSEs
Pearson	Access to business financial capital	1.000	0.61
Si 2 - tailed	Performance of MSEs	0.61	1.000
N	90	90	

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

It is evident from Table 4.10., that there is a strong positive correlation (0.61) between access to business financial capital and performance of women-owned MSE. The two variables increase in the same direction and one can predict with a significant degree of certainty that when women access capital, their businesses will experience improved performance, provided existing barriers are removed or made easier to navigate.

4.5. Entrepreneurial Orientation Factors and Performance of Women-Owned MSEs

The second objective of the study was to establish the influence of entrepreneurial orientation factors on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya. Women entrepreneurs and government women empowerment officers were required to volunteer information on introduction of new products, opening of new branches and marketing aspects of MSEs, and how these issues influenced performance.

4.5.1. Introduction of New Product or Service into Business

The study requested women to indicate whether they had introduced a new product or service in their enterprises in recent times. A slight majority (51.1%) responded in the affirmative. Probed on whether failure by women entrepreneurs to introduce new products or services in their businesses influenced performance of MSEs owned by women, all the government officers replied in the affirmative.

The study interrogated women entrepreneurs and government women empowerment officers on how introduction of new products or services influenced business performance. Table 4.11 presents their responses:

Table 4:11. Effect of Introduction of New Products on Business Performance

Women Entrepreneurs	Government Women Empowerment Officers
1. Boosted sales and profits	1. Improved performance because customers' needs are met on time
2. Increased the number of customers thus boosting performance	2. Gives advantage of being a pioneer
	3. Product / service diversification creates new streams of income

According to Table 4.11., is it evident that introduction of new products or services boosts performance, especially because it increases the possibility of a customer finding the products / services he or she.

4.5.2. Opening of New Branches

The study also requested women entrepreneurs to indicate the number of branches they had opened after the initial ones. Table 4.12. summarizes their responses:

Table 4:12. Number of New Branches Started

Number of Branches	Frequency	Percent
0	51	56.7
1-5	39	43.3
Total	90	100.0

According to Table 4.12., majority of the SME owners (56.7%) had not ventured beyond their first branch, with the remaining ones opening between 1 and 5 branches. In addition, all government women empowerment officers indicated that the opening of new branches influenced the performance of women-owned MSEs.

The study probed female MSE owners and government women empowerment officers on how opening of new branches influenced business performance. The responses included “More branches imply a wider customer base and increased sales and profits.” Another significant response was that “Competitors could penetrate and dominate new markets to the disadvantage of MSEs that fail to venture out.”

4.5.3. Marketing

The study also wanted to establish whether women MSE owners engaged in marketing activities for their businesses, and majority (94.4%) indicated they were. In addition, women entrepreneurs were asked to explain the influence of marketing on their businesses. Their explanations are presented in Table 4.13.

Table 4.13.Explanations of Influence of Marketing on Performance of Women-Owned MSEs

Responses	Frequency	Percent
Creates awareness thus promoting sales	85	94.4
Stagnant customer base, stifling growth	5	5.6
Total	90	100.0

Based on Table 4.13, majority of the women entrepreneurs (94.4%) indicated that marketing influences business performance by creating awareness, hence promoting sales. Those that were not marketing their businesses indicated that their customer bases were stagnant. Probed on the same issue, government officials indicated that marketing offered opportunity to increase sales and profits, but also observed that effective marketing required the input of government agencies and women SMEs were not being marketed effectively.

4.5.4. Influence of Entrepreneurial Orientation Factors on Performance of Women-Owned MSEs

Women MSE owners were required to rate various aspects of entrepreneurial orientation and their influence on business performance. Table 4.14. summarizes their responses.

Table 4.14. Influence of Entrepreneurial Orientation Factors on Performance of Women-Owned MSEs

Aspect	Very Great Extent		Great Extent		Moderate Extent		Low Extent		Very Low Extent	
	F	%	F	%	F	%	F	%	F	%
	Number of new products or services introduced into the business.	58	64.4	14	15.6	9	10.0	5	5.6	4
Number of marketing activities.	41	45.6	26	28.9	10	11.1	9	10.0	4	4.4
The pricing innovation strategy adopted by entrepreneurs.	13	14.4	56	62.2	8	8.9	8	8.9	5	5.6
Business branches operated apart from the pioneer branch.	13	14.4	17	18.9	8	8.9	36	40.0	16	17.8

As Table 4.14 indicates, majority of the women entrepreneurs (64.4%) believed that the number of new products or services introduced influences the performance of women-owned MSEs to a very great extent. Similarly, majority of the respondents (45.6%) asserted that the number of marketing activities a business engaged in influenced how that enterprise performed to a very great extent. In addition, most of the women entrepreneurs (62.2%) opined that the pricing innovation technology influenced performance of women-owned MSEs to a great extent. However, majority of the respondents (57.8%) believed that the number of branches opened influenced performance of women-owned MSEs either to a low extent or to a very low extent.

4.5.5. Role of Government in Boosting Performance of Women-Owned MSEs

The study also requested government women empowerment officers to indicate the role of government in ensuring women entrepreneurs were more risk-taking, competitive, innovative and autonomous when running their MSEs. Table 4.15. summarizes their responses.

Table 4.15. Role of Government in Boosting Performance of Women-Owned MSEs

Responses	Frequency	Percent
Easing credit access process for women	2	16.7
Offering no-interest or low-interest loans	4	33.3
Sensitizing women entrepreneurs on credit issues	1	8.3
Providing affirmative action opportunities e.g. AGPO	5	41.7
Total	12	100.0

According to Table 4.15., majority of the government officers (41.7%) indicated that the government had provided affirmative action programmes, such as AGPO (Access to Government Procurement Opportunities) as a strategy of encouraging and promoting participation of women in business.

4.5.6. Pearson Product-Moment Correlation on Entrepreneurial Orientation Factors and Performance of Women-Owned MSEs

To establish the relationship between entrepreneurial business orientation factors and performance of women-owned MSEs, Pearson Product-Moment Correlation was run. Table 4.16 summarizes the results.

Table 4.16. Correlations of Entrepreneurial Orientation Factors and Performance of Women-Owned MSEs

		Entrepreneurial Orientation Factors	Performance of MSEs
Pearson	Entrepreneurial Orientation Factors	1.000	0.46
Si 2 - tailed	Performance of MSEs	0.46	1.000
N	90	90	

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

It is evident from Table 4.16. that there is a moderate positive correlation (0.46) between Entrepreneurial Orientation Factors and performance of women-owned MSE. While the two variables increase in the same direction, one can predict with a moderate degree of certainty improving entrepreneurial orientation factors will lead to moderate increase in business performance.

4.6. Access to Information Communication Technology and Performance of Women-Owned MSEs

The third objective of the study was to determine the influence of access to Information Communication Technology (ICT) on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya. To this end, women MSE owners, government women empowerment officers and managers of financial institutions were requested to answer questions related to the use of mobile phones, social media, website and the internet in general, in women-owned enterprises.

4.6.1. Use of Mobile Phones – Mobile Payments

The study requested information from all three categories of respondents on the use of mobile phones, and particularly mobile phone payments, in the performance of women-owned MSEs. All women entrepreneurs indicated that mobile phone technology had influenced their businesses positively. When probed on the exact ways in which mobile phone technology influenced their businesses, women entrepreneurs volunteered the responses in Table 4.11.

Table 4.17. Influence of Mobile Phone Technology in Business Performance

Responses	Frequency	Percent
Enables safe and efficient payment for transactions	58	64.4
Convenience in paying utility bills	18	20.0
Saves time for other business issues	14	15.6
Total	90	100.0

According to Table 4.11, majority of the respondents (64.4%) valued mobile money transfer because it enabled safe and efficient payment for business transactions. Women entrepreneurs also indicated that the ease of payment for various utility bills and the amount of time saved gave them opportunity to attend to other important business issues thus promoting business performance.

Government women empowerment officers also indicated that mobile phone technology influenced the performance of women-owned MSEs. Specifically, officers cited low business transaction cost and efficient communication as being of great significance to business performance. Managers of financial institutions also cited reduced transaction costs and efficient and effective communication as the key ways in which mobile phone technology improved business performance for women-owned MSEs.

4.6.2. Use of Social Media

The study also requested women entrepreneurs to state ways in which social media advertising influenced the performance of MSE owned by women. Table 4.18. presents their responses:

Table 4.18. How Social Media Advertising Improves Performance of Women-Owned MSEs

Responses	Frequency	Percent
Enhances marketing of products / services	19	21.1
Boosts communication with customers	5	5.6
Promotes close interaction with customers	10	11.1
Enhances entrenchment of business niche	6	6.7
Don't use social media marketing	50	55.6
Total	90	100.0

Based on Table 4.18, majority of women entrepreneurs (55.6%) did not use social media for advertising. Among those who used this platform, majority (21.1%) indicated social media enhanced marketing of products / services, with others valuing social media for its application in communication and interaction with customers.

On their part, majority of government women empowerment officers (50%) indicated that social media did not significantly influence MSEs owned by women because most of the women had no access to the internet or were not conversant with how to apply social media for advertising. However, for women enterprises that used this form of advertising, that there was increase in sales due to social networking, and the cost of advertisement was lower on social media, according to government women empowerment officials.

4.6.3.E-Business

The study further sought information from women entrepreneurs on whether the latter were involved in e-business, particularly possession of a business website. Majority of women-owned MSEs (94.4%) did not have websites.

The study further probed those who had websites to indicate how these platforms enhanced business performance. ¹⁰ Their responses are summarized in Table 4.19.

Table 4:19. Influence of MSE’s Website in Business Performance

Responses	Frequency	Percent
It is effective for advertisement and marketing	1	1.1
I generate sales through the site	4	4.4
N/A	85	94.4
Total	90	100.0

According to Table 4.19., websites are used for advertising, marketing and sales avenues. However, it is evident that this strategy is yet to be adopted by most women entrepreneurs, assertions buttressed by government women empowerment officers who indicated that majority of the women they worked with (83.3%) had not embraced e-business. Most of these officers (50%) indicated that most women had no access to internet services or they lacked technical skills to venture into e-business (33%). For the 16.7% women involved in e-business, such business had lower operational costs, according to government women empowerment officers.

4.6.4.Strategies for Improving Access and Utilization of ICT by Women Entrepreneurs

The study requested women MSE owners and government women empowerment officers to suggest ways in which the government could improve access to ICT for women entrepreneurs. Table 4.20 summarizes their responses.

Table 4.20. Strategies for Improving ICT Access and Use for Women Entrepreneurs

Responses	Women Entrepreneurs		Responses	Government Officers	
	F	%		F	%
ICT training for women entrepreneurs	52	57.8	Offering free or affordable internet services	2	16.7
Lower the cost of accessing internet services	24	26.7	ICT and Internet-Literacy Training	10	83.3
Availing apps that help run business conveniently	14	15.6			
Total	90	100.0	Total	12	100.0

According to Table 4.20., majority of women entrepreneurs (57.8%) and majority of government women empowerment officers (83.3%) recommended ICT / internet literacy training for women entrepreneurs as strategy for promoting ICT use in women’s enterprises, with affordable internet costs being proposed as the second most significant measure.

4.6.5. Pearson Product-Moment Correlation on Informational Communication Technology and Performance of Women-Owned MSEs

To establish the relationship between Informational Communication Technology and performance of women-owned MSEs, Pearson Product-Moment Correlation was run. Table 4.21 summarizes the results.

Table 4.21. Correlations of Informational Communication Technology and Performance of Women-Owned MSEs

		Informational Communication Technology	Performance of MSEs
Pearson	Informational Communication Technology	1.000	0.23
Si 2 - tailed	Performance of MSEs	0.23	1.000
N	90	90	

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

Based on Table 4.21., there is a weak positive correlation (0.23) between Informational Communication Technology and performance of women-owned MSE. While the two variables increase in the same direction, one cannot predict with great certainty that engaging in e-business and social media marketing will improve performance for women businesses in a rural county like Meru.

4.7. Access to Social Capital and Performance of Women-Owned MSEs

The fourth objective of the study was to examine the influence of access to social capital on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya. Women MSE owners, government women empowerment officers and managers of financial institutions were required to respond to questions related to involvement of family members in MSEs owned by women; business training, mentorship and business associations.

4.7.1. Involvement of Family Members in Women-Owned MSEs

Majority of women entrepreneurs (64.4%) indicated that their family members were involved in running the former's businesses. The study further requested women entrepreneurs and government women empowerment officers to indicate how involvement of family members influenced performance of women-owned MSEs. Table 4.15 presents respective responses.

Table 4.22 Influence of Involvement of Family Members on Performance of Women-Owned MSEs

Women Entrepreneurs			Government Officers		
Responses	F	%	Responses	F	%
Promotes transparency and accountability among employees.	5	5.6	Promotes business continuity	3	25.0
Curtails cost of hiring outsiders.	53	58.9	Improves supervision and performance of employees	3	25.0
Non-family employees perform better in business.	32	35.6	Reduces cost of labour	4	33.3
			Family members may lack professionalism and mismanage business	2	16.7
Total	90	100.0	Total	12	100.0

According to Table 4.22, majority of women MSE owners (58.9%) indicated that involving family members in business helped to curtail the cost of hiring outsiders; information that was

corroborated by majority of government women empowerment officers (33%). Other positive influences of having family members assist in running a business included the ease of supervision as well as business sustainability.

4.7.2. Business Training

The study further questioned all the three sets of respondents on issues of business training for women-MSE owners. Majority of women entrepreneurs (57.8%) indicated they had not undergone any business training. However, all government women-empowerment officers indicated that the women entrepreneurs they worked with had undergone business training. Majority of financial institutions' managers (78.6%) indicated that they did not offer business training to entrepreneurs.

Women MSE owners were further probed on how undergoing business training influenced business performance. Their responses are presented in Table 4.23.

Table 4:23. Influence of Capacity Building Training on Business Performance

Responses	Frequency	Percent
It inculcates skills for running business	13	14.4
Training offers business ideas	25	27.8
N/A	52	57.8
Total	90	100.0

According to Table 4.23., women entrepreneurs who had undergone training indicated that training offers viable business ideas and it inculcates skills for running a business effectively. When probed on the same issue, government officers indicated that capacity building training was necessary for effective business management, record keeping, timely loan repayment, and sharing of ideas and networking. A manager of a financial institution commented that “Women entrepreneurs need training for record keeping and business management purposes.”

4.7.3. Business Mentorship

The study further sought to establish whether women who owned MSEs had business mentors and how this affected business performance. Table 4.24 presents the responses of women entrepreneurs when asked how many mentors they had.

Table 4.24. Number of Business Mentors for Women MSE Owners

No. of Mentors	Frequency	Percent
None	52	57.8
1-5	25	27.8
6-10	13	14.4
Total	90	100.0

According to Table 4.24, majority of women entrepreneurs (57.8%) did not have mentors. On their part, majority of financial institutions' managers (57.1%) indicated they introduced women MSE owners to business mentors. It is evident that mentorship is an area of weakness for most women entrepreneurs. Probed on the influence of mentors on business performance, women MSE owners who had mentors indicated that mentors provided guidance on possible markets and introduced the women entrepreneurs they were mentoring into new and productive business networks.

4.7.4. Business Associations

The study further sought to establish involvement of women in business associations and the attendant influence on the performance of women-owned MSEs. Majority of the women (73.3%) indicated they were not members of any business association. Moreover, all government women empowerment officers indicated that the women they were working with did not belong to any business association. In addition, all managers of financial institutions indicated that they had not created business associations for women entrepreneurs.

The study also probed women on how membership of business associations influenced performance of respective businesses. Table 4.25 presents the responses.

Table 4.25 How Membership of Business Association Influences Business Performance

Responses	Frequency	Percent
Sharing of ideas boosts business performance	13	14.4
Network members helps meet customers' demands	5	5.6
Members can borrow short-term credit	6	6.7
A lot of time is wasted in meetings	27	30.0
N/A	39	43.3
Total	90	100.0

As indicated in Table 4.25., majority of those who responded (30%) indicated that business associations tended to waste members' time, suggesting why many of women entrepreneurs (73.3%) were not members.

4.7.5. Number of Friends with Similar Businesses

Women entrepreneurs were asked whether they had friends with similar businesses and how this influenced business decisions and business performance. Majority of the women MSE owners (84.4%) indicated they had friends who owned similar businesses. When probed on how having friends with similar businesses influenced business, women MSE owners volunteered the responses in Table 4.26.

Table 4.26 Influences of Close Business Rivalry on Performance of Business

Responses	Frequency	Percent
Collaboration and networking boosts performance	11	12.2
Partnerships help averts Exploitation by suppliers and customers	52	57.8
Competition promotes individual business performance	13	14.4
N/A	14	15.6
Total	90	100.0

From Table 4.26, it is evident that majority of women entrepreneurs (57.8%) believed that working closely with business rivals averts exploitation by customers and suppliers.

4.7.6. Influence of Access to Social Capital on Business Performance

Women MSE owners were requested to indicate their level of agreement or disagreement with a raft of statements related to how social capital influenced respective business performance. Their responses are presented in Table 4.27.

Table 4.27. Influence of Access to Social Capital on Business Performance

Aspect of Social Capital	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	F	%	F	%	F	%	F	%	F	%
	Participation of family members does not influence business performance.	44	48.9	13	14.4	13	14.4	6	6.7	14
Lack of business training does not influence business performance.	15	16.7	11	12.2	10	11.1	41	45.6	13	14.4
Lack of a business mentor does not influence business performance	4	4.4	14	15.6	9	10.0	45	50.0	18	20.0
Failure to belong to a business association does not affect business performance	8	8.9	9	10.0	10	11.1	33	36.7	30	33.3

According to Table 4.27., majority of the women MSE owners (48.9%) strongly disagreed that participation of family members in respective enterprises did not influence business performance. This notion was bolstered by majority of government women empowerment officers (50%) who strongly disagreed with the statement. In addition, majority of women entrepreneurs (45.6%) agreed that lack of business training does not influence business performance. This is in contrast to the opinion of 50% of government empowerment officers who disagreed with the statement. Further, majority (50%) of the women entrepreneurs agreed that lack of a business mentor does not influence the performance of women-owned MSEs. Majority of government officers (58.3%) were of a similar opinion. In addition, most of the

women entrepreneurs (70%) either agreed or strongly agreed that failure to belong to a business association does not affect performance of women-owned SMEs. These sentiments were validated by majority of government women empowerment officers (83.3%) who either agreed or strongly agreed with the statement.

4.7.7. Pearson Product-Moment Correlation on Access to Social Capital and Performance of Women-Owned MSEs

To establish the relationship between Access to Social Capital and performance of women-owned MSEs, Pearson Product-Moment Correlation was run. Table 4.28 summarizes the results.

Table 4:28. Correlations of Access to Social Capital and Performance of Women-Owned MSEs

		Access to Social Capital	Performance of MSEs
Pearson	Access to Social Capital	1.000	0.54
Si 2 - tailed	Performance of MSEs	0.54	1.000
N	90	90	

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

Based on Table 4.28, there is a strong positive correlation (0.54) between Access to Social Capital and performance of women-owned MSE. It is evident that as family members and close business rivals continue to assist in various ways in running women businesses and as training is enhanced, there is strong possibility of women MSEs performing better.

This chapter presents the summary of findings, discussions these findings, makes concluding remarks and relevant recommendations and culminates with suggestions for further research. The purpose of the study was to investigate on factors that influence the performance of women owned Micro and Small Enterprises (MSEs) in Meru town, Imenti North Sub-county.

68 Table 5.1 presents a summary of the key findings of this study based on respective objectives.

Table 5.29

Objective	Type of Analysis	Major Findings
<p>To establish the influence of access to business financial capital on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.</p>	<p>Frequencies Percentages</p>	<ul style="list-style-type: none"> -Majority of women MSE owners (54.4%) had not accessed government loans. -Majority of those who had accessed government loans (53.7%) said this credit facility enhanced business performance they are easier to repay. -Majority of the women MSE owners (63%) had not been funded by these institutions. -Managers of financial institutions indicated that few women entrepreneurs borrowed from them. -Women entrepreneurs who had not been funded by financial institutions experienced business capital shortages, problems paying suppliers and restocking problems. -Majority of women entrepreneurs (50%) considered lack of collateral to be the greatest impediment to access to credit from financial institutions. -Credit access barriers influenced business performance by impeding access to capital. -Majority of the women entrepreneurs (94.4%) borrowed from informal avenues, mainly table banking. -Informal borrowing influenced business performance for women MSE owners because group-based loans had fewer and less stringent conditions and were easier to repay. -Most financial institutions' managers (78.6%) considered informal borrowing to be of little positive influence on performance, as amounts advanced were too small for MSEs. -All government women empowerment officers (100%) indicated that informal borrowing was convenient and enabled women entrepreneurs to restock their business and to solve cash liquidity problems.

<p>To establish the influence of entrepreneurial orientation factors on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County.</p>	<p>Frequencies Percentages</p>	<ul style="list-style-type: none"> -Majority of women entrepreneurs (46.7%) indicated that access to government loans did not influence performance of their businesses. -Majority of women entrepreneurs (46.7%) strongly disagreed that access to government loans influenced performance of their businesses. -Majority of the women (65.6%) strongly disagreed that amount of credit advanced by financial institutions and the government does not influence performance of women-owned MSEs. -Majority of the women entrepreneurs (51.1%) disagreed that barriers to credit access do not influence performance of their businesses. - Based on Spearman's Product Moment Correlation (r), access to business financial capital has strong, positive influence of 0.61 on the performance of women owned MSEs
		<ul style="list-style-type: none"> -Majority of women MSE owners (51.1%) had introduced new products / services in their enterprises. -Women indicated that introducing new products (i) boosted sales and profits and (ii) increased the number of customers thus boosting performance of respective MSEs. -Majority of women SME owners (56.7%) had not opened other branches after the initial one. -Women entrepreneurs indicated that opening new branches would result in a wider customer base and increased sales and profits. -Majority of the women entrepreneurs (94.4%) indicated that marketing influences business performance by creating awareness, hence promoting sales. -Majority of the women entrepreneurs (64.4%) indicated that number of new products or services introduced into the business influences the performance of women-owned MSEs to a very great extent.

<p>Kenya.</p> <p>¹² To determine the influence of access to information communication technology on the performance of women owned MSEs in Meru town, Imenti North Sub-</p>		<ul style="list-style-type: none"> -Majority of women MSE owners (45.6%) asserted that the number of marketing activities a business engaged in influenced how that enterprise performed to a very great extent. -Most of the women entrepreneurs (62.2%) opined that the pricing innovation technology influenced performance of women-owned MSEs to a great extent. -Majority of the respondents (57.8%) believed that the number of branches opened influenced performance of women-owned MSEs either to a low extent or to a very low extent. -Majority of the government officers (41.7%) indicated that the government had provided affirmative action programmes to encourage and promote participation of women in business. - Based on Spearman's Product Moment Correlation (r), entrepreneurial orientation factors have a moderate, positive influence of 0.46 on the performance of women owned MSEs.
	<p>Frequencies Percentages</p>	<ul style="list-style-type: none"> - All women entrepreneurs indicated that mobile phone technology had influenced their businesses positively. - Majority of women MSE owners (64.4%) valued mobile money transfer because it enabled safe and efficient payment for business transactions. - Managers of financial institutions and government women empowerment officers cited low business transaction cost as the principal influence of mobile phone technology on performance of women MSEs. - Majority of women entrepreneurs (55.6%) did not use social media for advertising. -Among those who used social media advertising, majority (47.5%) indicated that social media enhanced marketing of products / services. - Majority of women-owned MSEs (94.4%) did not have websites. - Those with websites indicated that these platforms were used as advertising, marketing and sales

<p>County, Meru County, Kenya.</p>		<p>avenues.</p> <ul style="list-style-type: none"> - Majority of women entrepreneurs (57.8%) and majority of government women empowerment officers (83.3%) recommended ICT / internet literacy for women entrepreneurs to encourage ICT usage in business. - Based on Spearman's Product Moment Correlation (r), access to information communication technology has a weak, positive influence of 0.23 on the performance of women owned MSEs.
<p>To examine the influence of access to social capital on the performance of women owned MSEs in Meru town, Imenti North Sub-County, Meru County, Kenya.</p>	<p>Frequencies Percentages</p>	<ul style="list-style-type: none"> - Majority of women entrepreneurs (64.4%) indicated that their family members were involved in running the former's businesses. - Majority of women MSE owners (58.9%) indicated that involving family members in business helped to curtail the cost of hiring outsiders. - Majority of women entrepreneurs (57.8%) indicated they had not undergone any business training. - Women MSE owners who had undergone training indicated that (i) training offers viable business ideas and (ii) it inculcates skills for running a business effectively. - Majority of women entrepreneurs (57.8%) did not have mentors. - Majority of the women (73.3%) indicated they were not members of any business association. - Majority of the women MSE owners (84.4%) indicated they had friends who owned similar businesses. - Majority of women entrepreneurs (57.8%) believed that working closely with business rivals averts exploitation by customers and suppliers. - Majority of the women MSE owners (48.9%) strongly disagreed that participation of family members in respective enterprises did not influence business performance. - Majority of women entrepreneurs (45.6%) agreed that lack of business training does not influence

business performance.

- Majority (50%)⁴² of the women entrepreneurs agreed that lack of a business mentor does not influence the performance of women-owned MSEs.
- Most of the women entrepreneurs (70%) either agreed or strongly agreed that failure to belong to a business association does not affect performance of women-owned SMEs.⁶⁷
- Based on Spearman's Product Moment Correlation (r), access to social capital has a strong, positive influence of 0.54 on the performance of women owned MSEs.⁴

The following is a thematic discussion of the findings of the study.

5.3.1. Access to Business Financial Capital and Performance of Women-Owned MSEs

The findings of the study reveal that access to business financial capital influences business performance of women-owned MSEs in a strong, positive manner. The main source of funding for women entrepreneurs is informal borrowing (table-banking), with government loans and credit from financial institutions following in that order. Apparently, government funds meant for women entrepreneurs are not benefiting as many women as expected, yet such an initiative is likely to impact entrepreneurial ventures positively. Credit from financial institutions is largely inaccessible due to stringent and lengthy lending procedures while government loans are said to be too little to sustain MSEs, considering such funding is availed through groups that on-lend to members under table banking structures. This is in tandem with Daigneault (2012), findings in British Columbia where women were discriminated upon when accessing credit. Other scholars who established similar results include Otoo and Fulton (2011) and Adesua-Lincoln (2011), who conducted studies in West Africa. In Kenya, Mwobobia (2012) and Hassan and Mugambi (2013) documented credit access challenges among women entrepreneurs. The fundamental issue is that women MSE owners lack affordable and adequate funding for their businesses. This affects their ability to stock businesses according to customer needs, presents formidable cash flow problems and reduces their sales and profitability abilities, hence influencing performance negatively. To ameliorate the situation, credit lenders, whether in government or the financial sector, must devise strategies to mitigate barriers women face when accessing loans for their enterprises. Such measures may include advancing affordable credit, in terms of adequacy of amounts, easing the process of application, and reducing interest rates and collateral requirements.

5.3.2. Entrepreneurial Orientation Factors and Performance of Women-Owned MSEs

The study also revealed that entrepreneurial orientation factors influenced performance of women-owned MSEs in a moderate, positive direction. Brush, Bruin, Gatewood and Henry (2010) assert that for women-owned MSEs to survive the current competitive global business environment, they must exhibit high levels of risk taking austerity, innovativeness, competitive aggressiveness and autonomy. The fact that an average of women in the current study had introduced new products or services into their businesses is indicative of cash-flow problems in

their businesses. However, for women who expanded their range of products or services, there was marked improvement in sales and profitability. Considering the capital challenges revealed earlier, it is understandable that majority of women entrepreneurs had not opened new branches. For those who had, business performance had improved, especially through increase in clientele, sales and profits. In addition, it is significant that almost all the sample entrepreneurs were marketing their businesses and this strategy helped to increase awareness among existing and potential customers, thus boosting business performance. In contrast, though, government officers considered these marketing methods to be ineffective and in need of government interventions for sustained and productive impact on business performance. It is apparent that number of new products, pricing innovation technology and number of marketing activities influence performance in that order of importance, while opening of new branches has little or no influence on performance of most of the businesses sampled. These findings buttress those arrived at by Alam, Mohd-Jani and Omar (2011) in a study on women entrepreneurs in Southern Malaysia; Msoka (2013) in Tanzania, and Mwangi and Ngugi(2014) in Kirinyaga County, Kenya.

5.3.3. Access to Information Communication Technology and Performance of Women-Owned MSEs

Access to ICT influences performance of women-owned SMEs in weak, positive way. Usage of mobile phone technology, especially mobile payments, is ubiquitous among women entrepreneurs. However, only a few women can access and utilize social media to market their enterprises. While this avenue enables close interaction between customers and business owners, and in the process, generates sales, majority of the women in the study were in areas with low network coverage and / or lacked requisite skills to operate and utilize this technology. From the foregoing, it is natural that most women entrepreneurs did not have websites for their businesses; the key reasons being those cited under social media usage. The use of ICT in women-owned businesses and concomitant implications for business performance have been documented by researchers such as Hilbert (2011), Komunte, Rwashana and Nabukenya (2012) and Komunte *et al.* (2012) following respective studies. Bakesha, Nakafeero and Okello (2009), in their study in Uganda, noted the growing significance of the mobile phone in communication between women entrepreneurs, their customers and suppliers, an issue that was observed in the current

study. Their findings are in tandem with those arrived at in the current study. However, there is need to improve access and utilization of ICTs for business by women. It is important to provide training for women in ICT and internet related issues and to scale down the cost of accessing and utilizing technology for women MSE owners.

5.3.4. Access to Social Capital and Performance of Women-Owned MSEs

Access to social capital influences performance of women-owned SMEs in strong positive direction. Involvement of family members in business assists women to reduce the cost of paying employees since family members are considered integral to the business, thus enhancing sustainability. Heilbrunn, Abu-Asbeh, and Nasra (2014) and Vosta and Jalilvand (2014) arrived at similar findings in Israel and Iran respectively. However, as (Hassan and Mugambi (2013) noted, reliance on family members to run business can also result in influence performance negatively. In addition, there is a dearth of business skills training among women MSE owners, considering financial institutions do not offer training and not all women had accessed government credit, an option that offers mandatory training. Training, as attested to by beneficiary women entrepreneurs and government women empowerment officers is fertile ground for inculcating requisite business skills and sharing viable business ideas. Mentorship is another critical aspect of social capital that most women in this study did not benefit from, thus, potentially influencing business performance negatively. Beneficiaries of business mentorship benefitted from guidance from experienced business practitioners and the opportunity to participate in established business networks. Women entrepreneurs were apparently not keen to join business associations, but this did not influence business performance. Most of the women were not keen on the many meetings held by association members, while those of the contrary opinion valued association meetings for sharing business ideas, hence boosting performance. In addition, having close friends with similar businesses improved performance of business because it was convenient in handling exploitative customers and suppliers. Souksavanh and Nobuaki, (2015) observed that women are keen to form social networks for business purposes, which attests to the credibility of the findings of the current study. It is evident that participation of family members in business, lack of business skills, lack of a business mentor and failure to belong to a business association influence business performance in that diminishing order. These findings correspond with those by Millan, Congregado and Roman (2012).

According to the findings of this study, access to business financial capital influences MSEs owned by women in a strong positive manner, despite the challenges of accessing funding. Government funding is relatively easy to acquire compared to loans from financial institutions. However, the former is inadequate for funding needs of women enterprises while the latter has stringent collateral requirement and complicated application processes. Informal borrowing, the most popular avenue for acquiring capital relies primarily on members contribution and partly on external funding, but cannot be depended upon to solely fulfil the funding requirements of women-owned MSEs.

Additionally, entrepreneurial orientation factors influence performance of women-owned MSEs to a moderate extent. Introduction of new products or services and opening of new branches are expansionist strategies that can boost performance but they are capital intensive, an aspect that most women enterprises are incapacitated in. While women entrepreneurs claim they engage in marketing of their businesses, these efforts are not guided for effective impact. In essence, entrepreneurial factors would have influenced business performance profoundly if these enterprises had adequate capital.

Further, access to ICT has a weak positive influence on performance of women-owned SMEs, depending on how well women can access this technology. The ubiquitous mobile money transfer service is critical for business transaction, but social media marketing and e-business are hampered by low internet penetration and lack of requisite skills and knowledge among women entrepreneurs. Arguably, the clientele served by women entrepreneurs in the study area faces similar ICT and internet access issues and may not be keen to search for information on respective products on the internet or social media, leave alone buying through these channels.

Moreover, access to social capital influences business performance positively and strongly in relation to participation of family members in business and having close friends with similar businesses, but not in terms of mentorship, training and membership of business associations. Money meant for employing outsiders can be ploughed back into business when family members participate in running an enterprise, while close friends with comparable businesses help to

create formidable alliances against exploitative suppliers and customers. However, women enterprises continue to thrive despite lack of business mentors, training and professional associations' membership.

⁶ Based on the findings of this study, the following are fundamental policy recommendations towards enhancing the performance of women-owned MSEs:

1. To ease access to business financial capital, the government and financial institutions should institute measures to increased loan amounts and to reduce credit access requirements for women entrepreneurs, especially by eradicating collateral needs or increasing the purview of chattels to include items and materials that women can access easily.
2. Both the public and private financial sectors should boost the marketing capacities of women-owned MSEs by first interacting closely with women enterprises and understanding their marketing needs, then devising effective strategies of creating awareness of women businesses and respective products to existing and prospective customers.
3. The government and financial institutions should formulate and implement ICT and internet literacy programs for women MSE owners to increase awareness, with the state ensuring that access cost for both hardware and internet services are lowered to enable women afford them.
4. All lenders should prioritize and make training mandatory before funding, while forming networks of business people through which mentorship is encouraged and prioritized for women MSE owners.

The following topics / issues were not in the purview of this study, but they present fecund ground for research in the area of women-owned MSEs:

1. Replication of this topic a study in another constituency for comparison purposes.
2. Factors influencing women participation in business

FACTORS INFLUENCING THE PERFORMANCE OF WOMEN-OWNED MICRO AND SMALL ENTERPRISES IN MERU TOWN, IMENTI NORTH SUB-COUNTY, MERU COUNTY, KENYA

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