

**THE EFFECT OF ENTREPRENEURIAL SOCIAL SUPPORT GROUPS IN  
ENHANCING ENTREPRENEURIAL BEHAVIOR AMONG EQUITY BANK CLIENTS  
IN NAIROBI COUNTY**

**BY**

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**DECLARATION**

This research project is my original work and has not been presented in any other University or institution of higher learning for any academic award.

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**Supervisor’s Declaration**

This research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

I dedicate this research project to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared. I also dedicate this project to my family my dad Moses, my mum Tabitha, my sisters Hildah, Christine and Fridah for their love, inspiration and encouragement throughout my academic life. Thank you.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ANOVA</b>	:	Analysis of Variance
<b>EBL</b>	:	Equity Bank Limited
<b>ICT</b>	:	Information communication and Technology
<b>ILO</b>	:	International Labor Organization
<b>IT</b>	:	Information Technology
<b>KBA</b>	:	Kenya Bankers Association
<b>KWFT</b>	:	Kenya Women Finance Trust
<b>OECD</b>	:	Organization of Economic Cooperation and Development
<b>PACFL</b>	:	Presidents Advisory Committee on Financial Literacy
<b>SBA</b>	:	Small Business Association
<b>SPSS</b>	:	Statistical Package for Social Scientists

## **ABSTRACT**

Numerous success factors are critical to the success of entrepreneurs and the subsequent survival in the business sector. One of the most common success drivers for entrepreneurs is the access to mentorship networks. At the beginning phase of any business, the entrepreneurs encounters myriad of challenges that can bring the enterprise to a halt if not properly addressed. Similarly, some challenges could be inherent to the sector of operation thus require an insider opinion and guidance in order to navigate it. This highlights the important role of entrepreneurial social support groups in the life of entrepreneurs seeking to grow their ventures to the optimal desirable levels. This study used descriptive approach to evaluate the effect of entrepreneurial social support groups in enhancing entrepreneurial behavior of Equity bank clients. The study sought to examine impacts of social support factors notably; social networks, mentorship, financial education and ICT. The study adopted descriptive research design as the research methodology. This approach was found convenient for this kind of study, as it enabled the use of descriptive statistics in presenting the field data. The target population for the study encompassed entrepreneurial groups based in Nairobi County and whose membership is made up of Equity bank clients. A sample of 90 respondents was selected to participate in the study. A structured questionnaire with close-ended questionnaire was utilized as the primary tool for data collection. The respondents were drawn from three different sectors, notably; Service sector, trade sector and manufacturing sector. The data collected was analyzed quantitatively using SPSS to draw the tabulations on the respondent's opinions across different questions that were covered in the study. The researcher performed regression tests to examine the levels of correlations between the research variables. The study established that equity bank client's have benefitted directly from the impact social networks on the growth of their business. The study also found that, mentorship wielded positive impact on their business ventures. The study also established that entrepreneurs have benefitted from financial education and ICT integration in their businesses. The study concludes that, entrepreneurial social support groups wield a significant impact on the entrepreneurial behavior of entrepreneurs. The study further concludes that, social support factors notably; social networks, mentorship, financial education and ICT wielded positive impact on the behaviors of entrepreneurs. The study recommends that, social support groups should incorporate patrons in the top leadership who are highly experienced and qualified personnel. The study also recommends that, mentees should be retained and encouraged to practice their new skills in mentoring new entrepreneurs to ensure they also grow.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Today, entrepreneurship is emphasized everywhere as an important concept that contributes to social and economic development. Entrepreneurial behavior is the discovery, evaluation and exploitation of business opportunities (Shane & Venkataraman, 2000). Capital availability is a critical factor for entrepreneurs to start a business venture. Many of the entrepreneurs usually have little or no equity to finance their business venture. In addition, most of the entrepreneurs cannot get debt financing at the early stages of their venture. Entrepreneurs also need access to information for development and growth of their business. The results of information seeking by entrepreneurs is dependent on contact with information sources, the information itself and social networks that entrepreneurs can access.

Entrepreneurs need social networks for development and growth of their business venture. Social networks are informal and formal relationships between interrelated actors inside a circle, which offer pathways for entrepreneurs to access resources for establishing, developing and succeeding a business venture (Indarti, Rostiani & Nastiti, 2010). Without capital access, information and social networks, entrepreneurs experience challenges in establishing, developing and succeeding their business ventures. These challenges curtail entrepreneurial behavior hence they must be addressed if entrepreneurial behavior is to be enhanced.

Given the importance of entrepreneurship for social and economic development, various stakeholders such as governments and non-profit organizations among others have come up with ways of facilitating entrepreneurs with a view to enhance entrepreneurial behavior. One such way to enhance entrepreneurial behavior is through entrepreneurial social support groups. Social support refers to an approach of having a good interaction with other people to address their needs and affecting them positively to be better people as well as be in charge of any given circumstances they find themselves in (Sahban, Kumar & Ramalu, 2015). Entrepreneurial social support groups have grown in the developing countries where there are weak institutions that cannot support entrepreneurs (Financial Access Kenya, 2009).

The entrepreneurial social support groups work by providing incentives and easy access to capital, information and networks, which enhance entrepreneurial behavior. The social support they

provide to entrepreneurs give them the right attitude, help them understand situations, link them with critical resources and generally help create an entrepreneurial environment (Misra & Kamar, 2000). Entrepreneurial social support groups are therefore important in enhancing entrepreneurial behaviour. In Kenya various banks namely KWFT, faulu, Unitas and equity bank have come up with various initiatives that support the entrepreneurs. Through social support, the entrepreneur gets acquainted to fundamental skills and techniques necessary for them to achieve the optimal success within their capacity (Adesoji, 2015).

The study utilized Schumpeter's theory on entrepreneurship. This neo-classical theory roots for innovation as the mechanism, which entrepreneurs should use to stay at the top of the game. The performance of any entrepreneur or entrepreneurial social support group is controlled by factors of own attitudes towards occupation, the operational requirements of the job and the role expectations held by sanctioning groups (Mohanty 2005). The other theory that was adopted, is the psychological theory which argues that entrepreneurship gets a boost when the society has sufficient supply of individuals with the necessary psychological characteristics which include need for achievement, risk taking, locus of control among others.

The major focus of this study was therefore an evaluation into how entrepreneurial social support groups have impacted entrepreneurial behavior of Equity Bank customers in Nairobi County.

### **1.1.1 Entrepreneurial Social Support Groups**

Entrepreneurship social support groups offer a shared platform for exchange of ideas, information and knowledge, that is vital in running a successful enterprise. A network of trusting, supportive, and mutually reinforcing relationships facilitate entrepreneurs' efforts to change. In entrepreneurship social support groups, there exist two types of interactions that are equally important; task and social interactions (Welter, 2011).

Entrepreneurial social support groups also equip entrepreneurs with the right attitude as well as preparing them with knowhow to deal with situations emanating from entrepreneurial activities. They create an entrepreneurial environment by addressing external factors that could affect entrepreneurs' propensity to pursue business opportunities. It is the interaction between entrepreneur cognition, his or her actions and the environment that shapes entrepreneurial behaviour. This is well captured by social learning theory which perceives human behaviour as

continuous reciprocal interaction between an individual, his or her actions, cognition and environment. Individuals learn from one another as they interact through a mixture of internal and external processes in which they observe and practice behaviour.

Group's functional activities of production overlap with groups task interactions, whereas group's functional activities of member support and groups well-being overlap with groups social interactions. Relationships between group members shapes entrepreneurial behaviour. Interpersonal relations are the important aspects of not only social life but also for successful entrepreneurs. These are easily perfected in a group situation. As a stage where members meet and negotiate personal interests, behaviour of a person is governed by interactions and interrelations with other people (Autio & Wennberg, 2010).

Benefits of entrepreneurship social support groups include initiating and establishing a culture of cooperation and coordination for entrepreneurs' advantage, conducting collective actions to overcome common problems as well as improving resource management strategies. The entrepreneurs also develop networks among members and facilitate members to share ideas and find ways of mutual support. Entrepreneurial action has been found to be embedded in social interactions with other individuals (Abeyrathne & Jayawardena, 2014).

### **1.1.2 Entrepreneurial Behaviour**

Entrepreneurial behaviour refers to motives and acts that enable entrepreneurs to reach decisions in their roles as creators of profitable opportunities and as exploiters of those opportunities (Endres & Woods, 2009). Entrepreneurial behaviour development is a process that occurs over time at an individual level and it results into an organization. It is the conduct of individuals engaging in a process of creating new ventures, where the process includes units of actions which can be observed by others. In the process of creating new ventures, entrepreneurs are engaged in a combination of actions such as identifying an opportunity, securing funding, developing technology and determining a legal form, among others (Reynolds, 2007).

Entrepreneurial behaviour development can be explained by two main theoretical approaches to entrepreneurship: discovery theory and creation theory. Discovery theory holds that opportunities exist as objective phenomena waiting to be exploited by unusually alert people. Once the unusually alert people decide to exploit the existing opportunities, they are referred to as entrepreneurs.

According to discovery theory, the central task of the entrepreneur is to discover and exploit existing opportunities. The existence of these opportunities depends on the industry and market structure (Shane, 2003). While opportunities exist for everyone to discover them, it's only the alert people that discover and exploit them for economically to create wealth. Creation theory on the other hand holds that opportunities do not exist objectively but emerge as people explore ways to generate wealth. The opportunities are therefore created by people in the search of gaining wealth. This process is strictly emergent and characterized by uncertainty. As the entrepreneurs explore possible opportunities, they learn in the process. The emergent search process not only creates the opportunities but also creates the entrepreneur (Sarasvathy, 2001). It is this process that creates opportunities and entrepreneurs that develops entrepreneurial behaviour.

### **1.1.3 Equity Bank Kenya Limited**

Equity Bank Limited is a commercial bank that developed from a building society in October 1984. As a building society, it used to offer mortgage to low income earners. Today, the bank is listed at the Nairobi Securities Exchange and is the largest bank in Kenya by customer base (Mwangi, 2013a). The vision of the bank is to be the champion of socio-economic prosperity of the people of Africa. The bank also introduced group lending products which majorly focus on the youth and women. As per the GOK statistics youth aged 18-35 years constitute 33% of the Kenyan population. The same category, youth constitute 70% of Kenya unemployment rate. 80% of all informal enterprises in Kenya and about 40% of the formal enterprises are by owed by women. Some of the products falling under these category include vijana business loan, fanikisha sheba business loan, fanikisha fedha business loan, vukisha biashara loan.

Increase in entrepreneurs lead to many business ventures being born in form of micro, small, and medium enterprises. These are crucial drivers of economic growth across. Despite the importance of the sector to prosperity, many challenges persist including cumbersome and costly licensing and regulatory requirements, lack of access to capital and markets, and lack of business management knowledge and skills. A 2009 survey indicates that only 15% of all Kenyan entrepreneurs have accessed formal entrepreneurial skills training (GEM).

Equity Bank Limited through its Group lending products have paid particular attention to youth and women entrepreneurs. These two groups have been historically and disproportionately marginalised despite their potential to improve the economic outlooks of their households. EBL

has sought to foster innovation among entrepreneurs and other partners to solve challenges that hinder enterprise growth and to support the development and widespread application of new ideas, systems and technologies (Mwangi, 2013).

## **1.2 Research Problem**

According to (Adesoji, 2015) entrepreneurial resourcefulness and environment affects the entrepreneurial behaviour which later directs entrepreneurial orientation, entrepreneurial exploitation, as well as entrepreneurial exploration. Entrepreneurial social support groups offers a diverse entrepreneurial environment as well as more entrepreneurial resourcefulness as compared to sole entrepreneurs. This shows that entrepreneurship social support group affects entrepreneurial behaviour.

Joining an entrepreneurial social support group ideally is expected to positively influence entrepreneurial behaviour (Saban, Kumar and Ramalu, 2015). There are studies that have established a linkage between entrepreneurial social support group membership and entrepreneurial behaviour. While discovery theory emphasize the concept of individuals being alert to recognize opportunities that exist objectively, creation theory supports social support group membership as this enables and accelerate learning that creates both opportunities and entrepreneurs (Shane, 2003; Sarasvathy, 2001).

Equity Bank Kenya Limited through its group lending products has targeted women and youth by offering them entrepreneurial social support. To accomplish the mission to socially and economically empower these groups, EBL has helped in establishing entrepreneurial social support groups aimed at influencing entrepreneurial behavior among women and youth. Their efforts have been a success as the entrepreneurial groups have enhanced entrepreneurial behavior among their members.

Research done previously in relation to entrepreneurial social support groups and entrepreneurial behaviour has not been conclusive but has shown mixed results. Saban, Kumar and Ramalu (2015) explored the factors related to social support system which contribute to students desire to become an entrepreneur in Malaysia. Their study used a mixed method to come up with an instrument that would enable any researchers to look into the social support system in relation to entrepreneurial

desires of students. The major factors identified in their instrument include the family support system and the peer's support system that would provide a favorable or unfavourable climate to young generation further to consider 'entrepreneurship' as their professional career. Ruef (2009) reviewed classical perspectives to explore the structure and effects of social entrepreneurial groups. The review aimed to stimulate entrepreneurship scholars to think further about the issues of group conflict and cohesion, transaction costs and free-riding. According to Rusu et al. (2012), studies conducted mainly in entrepreneurship focus on economic, managerial or sociological perspective, with less consideration from a psychological perspective. Indarti, Rostiani and Nastiti (2010) surveyed underlying factors of entrepreneurial intentions among Asian students in Indonesia, Japan, South Korea, Taiwan and Thailand.

Although critical underlying entrepreneurial factors have been found to vary from country to country other factors notably; self-efficacy, environmental factors, age and gender were found to wield significant impact on entrepreneurial intentions amongst learners. All the aforementioned studies focused solely on definitions, concepts of entrepreneurship, and traits of entrepreneurs and evolution of entrepreneurship in attempt to try and discuss the inherent determinants of entrepreneur success. These studies have failed to demonstrate ways in which, entrepreneurs can be assessed of their best qualities and imparted with correct entrepreneurial characteristics that can enable them succeed in their businesses. This presents a gap in knowledge on entrepreneurial social support groups and entrepreneurial behavior. In order to bridge this gap, this study examined the effect of entrepreneurial social support groups in enhancing entrepreneurial behaviour among equity bank clients in Nairobi county .

### **1.3 Research Objective**

The objective of this study was to establish the effect of entrepreneurial social support groups in enhancing entrepreneurial behavior in Nairobi, Kenya

### **1.6 Value of the Study**

The findings of this study benefits the policy makers in government and other stakeholders to determine, develop and grow entrepreneurship. The results help not only in policy formulation but also in review of existing policies in regard to enhancing entrepreneurial behavior.



The results in this study highlight valuable insights into the industry stakeholders and practitioners. Entrepreneurs will be able to appreciate the effect of entrepreneurial social support groups in enhancing their entrepreneurial behavior. This understanding can make entrepreneurs take such groups seriously for their own benefit and to help other upcoming entrepreneurs to succeed in their endeavors’.

This study contributes to expanding knowledge in entrepreneurship. The findings assist in providing scholars with reference for future studies. The study has recommended areas for further research which will advance debate on entrepreneurial social support groups and their effect in enhancing entrepreneurial behavior.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter covers the literature on the roles of entrepreneurial social support groups towards enhancing entrepreneurial behavior among entrepreneurs who are bank clients. The chapter will explore on the past studies on the study topic and expose the research gaps. This section of the study commences with an evaluation of the relevant theories on the subject of entrepreneurial social support in enhancing entrepreneurial behavior. Subsequent sections will cover extensive empirical evaluation of the study variables.

### **2.2 Theoretical Framework**

The theoretical framework covers the set of theories which are relevant with the study topic. Theories are a set of agreed facts within a field of study and can help in demonstrating the existing relationship between the independent and the dependent variables. This study adopts the Schumpeter theory and the psychological entrepreneurship theory.

#### **2.2.1 Schumpeter's Theory**

The Schumpeter theory on entrepreneurship was pioneered by Joseph Schumpeter and was initially published in 1912 (Slebzik, 2013). Schumpeterian model highlights the ability of putting together strategies, in effort to explore and implement innovations. The theory incorporates the inherent importance of internal personal drive to pursue business goals. In the spectrum of business environment, there exist numerous separate institutional components that influence the execution of different business functions. The theory suggests that, individual entrepreneurial dynamism is a function of sustained internal desire and rational approach to business initiatives, encompassed in an institutional mechanism.

Ebner (2006) posited that, the institutional diversity is an embedded capitalist development character supported by the fact that, entrepreneurship is a behavioral factor which originates from old age habits, with hereditary components. The inherited embedded entrepreneurial habits are also significant in social cultural and economic areas in different contexts, such as competition in business, motivations to imperialism and the mechanisms of parliamentary democracy. Throughout the formation and coming into life of the modern jurisdiction which has its own taxation regimes, as long as there is a gain to be accrued inform of profits, the Schumpeter theory

explains that innovation is a necessity (Slebzik, 2013). The theory supports the perspective that innovation in totality is the fundamental driver to the numerous business facets such growth, creating of a competitive edge and the overall ability to diversify and survive in business.

According to Sabana (2014), the economic theories of entrepreneurship are rooted in the neoclassical theories in the field of economics which encompass the Schumpeter theory. These theories were largely advanced by Cantillon (1755) who appreciated the fundamental role of the entrepreneur as an explanatory force of several economic phenomena. Schumpeter (1934) postulated that entrepreneurship was the primary fundamental driver of market oriented initiatives, that aimed at exploring at the positives existing in a market and the ability to tap into the existing opportunities and turn them into avenues for profit making enterprises.

### **2.2.2 Psychological Entrepreneurship Theory**

Landstrom (1998) noted that, the psychological entrepreneurship theory focuses on the personality of an entrepreneur. Coon (2004) postulated that the fundamental characteristic of an entrepreneur is the stable qualities they display in most times. For instance, locus of control aspect of psychological perspective was pitched by Rotter's (1966) model on social learning where he examined the inherent entrepreneur characteristics. Amolo and Migiro (2014) observed that people with internal locus of control believe in their own capacity and that they are in control of their own destiny. Rauch and Frese (2000) supported the aspect of personality trait as the strong entrepreneurial characteristic that facilitated the growth of individual capacity to persistently pursue business interest until they succeed.

Amolo and Migiro (2014) posit that, inherent qualities that make up an entrepreneur include being opportunity driven and willingness to explore for opportunities in a wide spectrum. They also noted that, the making of an entrepreneur is highlighted in their personal desires and strong motivation for searching of ideas, however minute they are, so long as they are able to bring some change and eventually become a revenue generator. While citing independent human virtues, for example; integrity, confidence and emotional stability, Amolo and Migiro (2014) explained that, entrepreneurs wield self-driven capacities of challenging the existing order into bringing new change, that which they desire.

According to Magnusson and Endler (1977), personality psychology forms the basis between individual characteristics and the situational conditions that influence the entrepreneurial behavior. Evidence highlights the levels of personal belief to risk taking as being the unique characteristic that is informed by the inherent entrepreneurial ability to be willing to take up new challenge and see the positive of making it work out. While citing Eisenhauer (1995), Simpeh (2011) noted that with more successful of entrepreneurial initiatives, the entrepreneur is likely to register reduced levels of individual risk averse. According to Brockhaus (1980), there exist a number of entrepreneurs who approach risk taking with a lot of caution, but are equally encouraged by the possibility of making more money. Both Brockhaus (1980) and Simpeh (2011) agree that, prior success was a strong motivator for risk taking capacity.

Simpeh (2011) links entrepreneurial capacity to engage with the people and the communities where they operate as one of the success characteristic. Amolo and Migiro (2014) acknowledged that society reciprocated to what they are offered and how it impacted on their lives. This indicates that, the society will welcome and support any entrepreneur who brought about something that positively impacted their lives. Consequently, the entrepreneur will be able to achieve stability and success from putting the needs of the society ahead of own interests. This highlights the first aspect of the social contexts, which are the social networks. Thus this theory supports the perspective that the entrepreneurs are responsible for creating their own social networks and the aggressiveness to grow them, is directly relative to the levels of entrepreneurial success.

## **2.3 Types of Entrepreneurial social Support Services**

Social support groups are valuable platforms through which, in experienced entrepreneurs can access tools that can help in overcoming the initial challenges while setting up an enterprise (Hall, 2003; Parsloe, 2009). The social support group dimensions highlight some of the mechanisms that can be used by entrepreneurial social support groups to offer entrepreneurial social support. The areas covered entrepreneurial social support services includes; networks, mentorship, financial education and ICT.

### **2.3.3 Social Networks**

Peprah (2013) defined social network as the conventional structure where a set of nodes or actors are linked together on the basis of social relationships, links or special kind of ties. In addition

Peprah (Ibid) posited that, these actors could be individuals, organizations, sectors or industries and even countries. According to Kalushin (2004) ties in social networks can be based by a number of different factors such as, conversations, friendship, economic exchange and anything that can form the foundations of social interaction. Further, there is agreement between Kalushin (2004), Hakala (2007) and Peprah (2013) that the interactions that are fulfilled in social networks between actors can be in the form of information exchange, motivation, advice, or even cooperation for a specific initiative as long as it can lead to strong ties. Hakala (2007) opined that one of the basic fundamental contributors to entrepreneurship success is the access to networks, which present surmountable social capital.

Barr (2015) carried out an exploratory study on the spectrum of minority and women entrepreneurship focusing on building social networks, skill and access to capital. The study revealed that social networks were extremely useful in shaping an entrepreneurs business model and overall perspective on business administration. The study identified benefits of social networks including; building customer and supplier base, enhanced ways to access credit, and also benefit from useful advice and support. Chang (2010) opined that the level of growth of start-ups and small scale businesses owned by budding entrepreneurs was subject to the volume of social networks. Both studies focused on the minority constituent of participants thus covering a limited scope, thus lacking specific estimation in the form of capital gains value generated to the entrepreneurs that can be attributed to the social networks.

Bradford (2014) performed a panel data analysis centralizing on Income Dynamics and Survey of Consumer finances. This study evaluated varied entrepreneurial incomes across a period of time, through which their businesses have been operational. The study noted that, social networks were crucial for survival, success and growth of enterprise. In addition, the study concluded that, household incomes of entrepreneurs with strong base of social networks, significantly improved over a period of time. Audretsch and Keilbach (2007) observed that social networks were helpful for entrepreneurs as it offered platforms for information and knowledge exchange, which is able to aid the growth of small businesses.

#### **2.3.4 Mentorship**

Eby (2010) defined mentorship as an interpersonal relationship, with a shared character and capacity development interest between a more experienced and knowledgeable individual, who

the mentor, and inexperienced fellow, known as the protégé. Bloomberg (2014) and Laukhuf and Malone (2015) acknowledged that, mentorship originated back in Greek times where a mentor was a friend to whom Odysseus entrusted the education of his son, Telemachus. Parsloe (2009) noted that mentoring was an avenue through which involved the exchange of knowledge, where the protégé benefits from guidance on ways to undertake certain specific duties, identify their strengths and build on them and realize their optimal capacity.

Cull (2006) posited that, mentorship was a vital component for a growing enterprise. Cull, explained that, mentors are able to detect issues that are potentially damaging and advice on mechanisms to evade them and also help in developing strategies that are effective in executing certain operations that are devoid of amateur errors common with inexperienced protégés. Mind Tools (2014), postulated that the fundamental intention of mentorship is to build the capacity of the protégé and create a long lasting relationship between and eventually the mentor becomes a role model to the protégé who can emulate and look up to. Aubert (2014) agrees with Mind Tools (2014) observation that, mentorship facilitates the exchange of both business administration skills and life skills where a mentee grows both as a human being and also as a manager.

Stuart and Ding (2006), Sorensen (2007) and, Nanda and Sorensen (2010) used observational data to evaluate the impact of exposure to entrepreneurship through parents or colleagues on the individual entrepreneurial capacity in the long run. The studies deduced that, the entrepreneurs who were exposed to foundational basics of entrepreneurship through their parents and their close associates from workplace were highly likely to develop a more assertive perspective on their own entrepreneurial capacities. The studies highlighted that, being a role model was one of the strongest aspect of influence entrepreneurs drew from their parents or colleagues. These studies however didn't expound on the correlation in terms of time through which an entrepreneur is exposed and the eventual levels of success in individual entrepreneurship exploits.

According to Hall (2003), mentoring was a process that involved various activities and phases of implementation. First there has to be formal criteria of matching the prospective mentees with the compatible mentors. There is need for identifying a number of important characteristics of the mentee and mentor, such as the kind of training, age and also the frequency of contact. Hall, observes that, the fundamental mechanisms that are used in matching the relationships between the mentor and the mentee will determine the success or failure of the mentorship program. It's

critical that, the mentee pursues a line of career training that matches that of the mentor and also maintains a constant and consistent ways of interaction as it determines the level of success of the mentorship.

### **2.3.5 Financial Education**

Financial education was the foundation of financial literacy among the ordinary citizens. According to Huston (2010), there exist no clear meaning of financial literacy as its considered to be too broad, a perspective supported by Zuhair, Wickremasinghe and Natoli (2015). After undertaking comprehensive empirical evaluations, Huston (2010) settled on the definition, that financial literacy meant how proficient somebody understood information that is related to management of personal finances. Financial literacy is conferred as the capacity to demonstrate high levels of financial understanding for a period of being financially stable (PACFL, 2008). According to Njoroge (2013) financial literacy means that, an individual understood the scope of personal finances and understood the amounts which they can commit them for funding activities such as investments in real estate, insurance, and also planning for retirement expenditures.

Studies by (Abanis, Sunday, Burani and Eliabu, 2013) and (Karadang, 2015), revealed that SMEs were faced with a numerous pitfalls when it came to managing enterprise finances. Karadag (2015) found that financial management practices that impacted on SME performance were working capital management, fixed assets management, financial reporting and control practices. Wise (2013), posited that, the lack of financial education was the leading contributor to the failure of many enterprises. The past scholars, highlight that that maintaining records of income received, managing debtors and credit sales, managing outgoings and control of expenses were critical in running a successful business (Musie, 2015).

### **2.3.6 Information Technology**

Information technology (IT) has been a main driver of the modern day corporate environment, occupying a significant space in all forms of business frontiers. Jagodic and Dermol (2015) defined ICT in a composite of two components, which can be viewed as Information Technology (IT), and communication Technology (CT). This way, Jagodic and Dermol (ibid) acknowledged that IT comprised the types of technologies, which can be used in manipulating data, such as machine and software equipment, whereas CT comprised of consumable transmitted information, such as video and audio transmission. According to Martinez and Nguyen (2014), Information Communication

and Technology refers to a range of telecommunication systems which are interlinked to services with other components notably; mobile phones, computers and the internet. United Nations Conference on Trade and Development (UNCTAD, 2010), elaborated that, ICT was the most critical ingredient that contributed to the enhancement in the performance of small businesses.

The European Commission (2007), used a cross examination on the impact of utilizing ICT platforms to enhance the competences of women entrepreneurs. The study established that, ICT enabled vital operational tasks to be undertaken more efficiently and with greater success which enhanced the entrepreneurial prospects of the female entrepreneurs. They explained that ICT provided platforms that facilitated the decision making. This was the foundation through which it was technically possible to utilize ICT as tools for enhancing entrepreneurial capacities (Jagodic and Dermol, 2015).

In addition, ICT offers services such as; education and training, business solutions, and platforms for large data storage. ICT forms a unique platform that enables various sophisticated ways of communication between components of social networks. There are surmountable benefits accrued through enhancing the entrepreneurial capacity of small scale entrepreneurs who are getting into business. The study by European Commission (2007) only looked at a small spectrum of society in a unique context, which makes it impossible to infer the study across a diverse and dynamic spectrum of the society.

Alam, Jani and Omar (2011) carried out an empirical study on the specific factors that contributed to the success of the women entrepreneurs in Southern region of Malaysia. They performed a regression analysis to evaluate the levels of correlation association across different set of variables. They concluded that the ICT was highly useful in helping the business tap into the prospects of innovation to enhance the possibility of success among small scale entrepreneurs. Marlin and Wright (2005) posited that, entrepreneurs embraced ICT when they were motivated by their peers on how it contributed to cutting down operational costs and consequently enhancing the prospects of increased levels of efficiency. The study by Alam et al (2011) focused generally on the factors that influence the possibility for the success of women owned enterprises and didn't explain the value in rough estimate on the business success attributed to adoption of ICT platforms.



## **2.4 The Dimensions of Entrepreneurial Behavior**

Entrepreneurs derive numerous benefits by embracing guidance and association with social support systems as they are able to build strong foundation that is necessary to support their success in business (Sahban, Kumar & Ramalu, 2015). Besides, establishing a strong mindset to boost their approach to business, social support groups enable budding entrepreneurs build motivation for success, understand importance of undertaking calculated risks in business, always be keen to grabbing opportunities for individual progress and business growth, and also integrate innovation for perfecting their competitiveness. According to Rauch and Frese (2000) there exist inherent individual capacity among the entrepreneurs which enable them grow in business, through accommodating fundamental entrepreneurial mindset.

Aldrich (2011); Lopez and Cooper (2011); Mustikawati and Bachtiar (2008) have explained that motivation centers on the aspects of individual psychological inner state triggers that directs behaviors towards the realization of certain set goals. Entrepreneur is faced with numerous challenges that require mental strength to overcome. According to Cohen et al. (2008) entrepreneurs encounter, hundreds of setbacks as they undertake their daily duties and can such challenges can break their spirits if not knit for it. However though, facing business challenges is normal especially for new entrepreneurs. With motivation, entrepreneurs are able to constantly endear inner strength that guides them towards realization of success for their businesses (Goodwin, Costa & Adona, 2004).

Fosset et al. (2007) noted that one fundamental character of an entrepreneur is being a risk taker. Entrepreneurial strength is determined by the individual capacity of the entrepreneur to take up an initiative or action, such as making an investment, with consideration of all the underlying uncertainties that are likely to result in a failure (Rogoff et al., 2004). Simpeh (2011) postulated that, entrepreneurs are the kind of people who are not scared of failure when making investments as equally they could accrue strong dividend in case of success. Through guidance and mentorship, entrepreneurs are able to understand the approaches to adopt when making important business decisions that have uncertain repercussions (Aldrich, 2011). Rogoff et al (2004) posited that, through mentorship entrepreneurs are able to graduate from being just low risk takers to calculated risk takers where they understand the importance of undertaking risk assessment and risk control to push for optimal success.

According to Murphy et al (2006) entrepreneurs are faced with an array of growth options, seeking to capitalize on the best chance and break away from the pack. This underscores the importance of entrepreneurs identifying and embracing opportunities that can grow them and their businesses. Simpeh (2011) explained that, it takes an enlightened individuals to identify realistic opportunities that accrue positive returns in business. Through social support, entrepreneurs are exposed to numerous aspects of business and opportunities and how to make correct moves and stay on top of their games. Harris (2006) explained that, entrepreneur's strongest character is the ability to identify an opportunity and take the necessary action. Cohen et al (2008) noted that successful entrepreneurs always look for opportunities that can take them to the next step in the business ladder.

Sahban et al. (2015) noted that the primary measure of success in entrepreneurship is the ability of an entrepreneur to bring something unique to the market that will create a valuable alternative for the customers. For entrepreneur to be successful in disrupting the market, they must be able to draw the attention of the customers by giving them something unique and affordable. Through innovation, entrepreneurs are able to add value to the existing products and bring something unique to the market (Rogoff et al., 2004). Rauch and Frese (2000) noted that entrepreneurs should develop innovative character through which they are able to study the market, notice that gap and commit to feel this gap by solving the need through introduction of new products. Sivathanu (2013) postulated that innovation is central to the success of the businesses as it enables entrepreneurs remain unique in business and also develop a competitive edge that enables survive in the business.

### **2.5 Effects of Entrepreneurship Social Support Groups on the Entrepreneurial Behavior**

Social support has been the most important factor in supporting the growth and the eventual success of entrepreneurs (Goodwin, Costa, & Adonu, 2004; Sahban, Kumar & Sri Ramalu, 2015). There exists strong correlation between the social support an entrepreneur receives and the likelihoods of developing positive traits which will contribute to the employee's developing positive attitude necessary for the success of their entrepreneurial career. Goodwin et al. (2004) explained social support as the regular interaction that exist between entrepreneur with other people and immediate family members or relating to the provision of duties and attachments. Social support is the social way of communicating with others to manifest love and care for others. This kind of support serves as building blocks of social, psychological and biological integrity.

Both formal and informal support networks have been seen as a central element of an individual's social capital, a valuable resource that contributes to better health chances.

Harris (2006) and Susanti (2012) lists social support groups as the structured support frameworks such as the family, peer groups, colleagues and even educational institutions that offer social support to entrepreneurs. Sahban et al. (2015) posited that social support is provided in different contexts such as caring for one, providing for the needs of others, strengthening the social network of people globally. Leon, Descals & Dominguez (2007) posited that social support spectrum covers the characteristics of a good social relationship among people that are willing to offer assistance. It happened through a close relationship to others, for their right to keep an obligation and to maintain good will with others.

According to Baron and Markman (2000) and, Mair & Noboa (2003) they noted that social support deduces to tangible benefits for instance the resources acquired by an individual from being part of a social network. Sahban et al. (2015) noted that the social support framework focused on three interrelated classes of features, such as personal characteristics, interpersonal relationships and the factors that generate supportive efforts that can shape the behavior of an entrepreneur to realize optimal success. This framework can be considered as context of social support since the influence of social support rely on the interaction of the above three dimensions (Rasheed, Sawal, Taj, & Najam, 2005). Social support contains a multidimensional collection of material, emotional, or informational resources. The study topic is an evaluation on the effect of social support groups in enhancing entrepreneurial behaviors among entrepreneurs. The independent variables include; social networks, mentorship, financial education and ICT. The dependent variable is the entrepreneurial behaviors.

## **2.6 Summary of the Literature and Research Gaps**

The study centralized on the roles of social support groups towards enhancing entrepreneurial behavior among bank clients who are small scale entrepreneurs. The study identified social support group factors notably; social networks, mentorship, financial education and ICT. The study deduced studies by Barr (2015), Bradford (2014) and Peprah (2013) who all examined the influence of social networks towards enhancing entrepreneurial behavior. The studies, were largely biased on specific elements of the societies that have own cultural practices that shape their

entrepreneurial behaviors. There are very limited local studies on the influence of social networks towards shaping entrepreneurial behaviors, therefore the need for this study to expose the local scope in terms of the contribution of the social networks on shaping entrepreneurial behavior of bank clients.

Stuart and Ding (2007) and Sorensen (2007) identified the role of mentors who are close associates to the mentee, such as the parents or work colleagues. The studies, highlights that these close associates form great mentors who also double up as role models. The studies are scanty as they don't offer credible rough estimate on the value of mentors who are close associates in comparison to professional mentors, who possess the correct skills, knowledge and influence the mentee entrepreneur needs in order to realize their own full potential.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter describes the research procedure that was used by the researcher in gathering field data. The areas covered in this section include; Research design, target population, Sample size and sampling procedure, data collection and data analysis techniques.

### **3.2 Research Design**

The study adopted descriptive survey methodology. The researcher preferred this approaches as it made it possible the collection of huge data within a short period of time. According to Kerlinger (2008), the use of surveys in social-economic research provided a great deal of valuable information which is highly accurate. Descriptive survey approach helps in elaborating comprehensive information about a phenomenon, living very little likelihood of bias (Kothari, 2008). Kothari (2012) also recommended use of descriptive research design where the problem has been defined and the researcher wants to establish certain facts about the problem. This study focused on the role of entrepreneurial social support groups on the entrepreneurial behavior of equity bank customers. The study sought to assess the entrepreneurial social support factors, notably; social networks, mentorship, financial education and ICT in shaping the entrepreneurial behavior of equity bank clients. The researcher conducted a survey methodology, where an evaluation was made on the roles of entrepreneurial social support groups on the entrepreneurial behavior of equity bank clients.

### **3.3 Target Population**

The target population for this study included all the entrepreneurs, who are members of entrepreneurial social groups that are supported by Equity bank branches within Nairobi County. Coopers and Schindler (2014) explained that target population is the total collection of elements about which we wish to make some references. It is basically the larger cluster from which individuals are chosen to participate in a study. There are about 150 entrepreneurial groups attached to different Equity bank branches within Nairobi County (Equity Bank, 2016). The entrepreneurship groups have an average of about 5 members. Therefore the number of entrepreneurs supported calculated, is as follows;

150 (entrepreneur groups) × 5 (average number of members) = 750 entrepreneurs

Therefore the target population was estimated to be 750 members of entrepreneurial support groups, supported by equity bank branches across Nairobi City County.

### 3.4 Sample Size and Sampling Procedures

According to Bell (1999), a sample is a subset of the population which represents the characteristics of the population or a portion of the population selected for analysis. The study derived the sample from the target population.

The study sampled 30% of the entrepreneurial social support groups:

$$\Rightarrow \frac{30\%}{100\%} \times 150 \text{ groups} = 45 \text{ groups}$$

A total of 45 entrepreneurial support groups were sampled in the study.

#### 3.4.1 Sample Size

In any field survey, the selected sample enables the researcher to make a generalization about a given population. A sample is a subset of a population (Blumberg, 2014). This is however useful only if it accurately represents the larger population. Barbie (2010) argues that a sample size refers to the actual respondents the researcher aims to interview. To ascertain that the selected sample is representative of a given population, a researcher needs to clearly define the characteristics of the population, establish the required sample size, and choose the appropriate method for selecting members from the population.

From the 45 entrepreneurial support groups, which represent about 30% of the total entrepreneur groups within Nairobi County, the researcher randomly selected two participants to take part in the Study.

The sample size:

$$45 \text{ groups} \times 2 \text{ members} = 90$$

Therefore, sample size was **90 respondents**.

### **3.4.2 Sampling Procedure**

The study adopted random sampling procedure. In this method, the researcher made a random selection of two respondents from the target groups. This technique is valuable as it helps in minimizing the biasness and further leaning the population items such that none is overrepresented or underrepresented. Sampling procedure is defined as the scientific procedures which are used in selecting a sample in a given set of target population (Barbie, 2010).

### **3.5 Data Collection**

The main data collection tool that was used in data collection was the structured questionnaires. The questionnaires comprised of a close ended questions with the quantitative section of the instrument utilizing both a nominal and a Likert-type scale format. The Likert-type format was selected since according to Kiess & Bloomquist (2009), this format yields equal-interval data, a fact that allows for the use of more powerful statistical statistics to test research variables. The questionnaire was developed in line with specific research objectives.

### **3.6 Data Analysis Techniques**

According to Cooper and Schindler (2014) data analysis is the process of editing and reducing accumulated data to a manageable size, developing summaries, looking for patterns and using statistical techniques. Data collected was first reviewed to detect any possible errors and omissions. In the instances where the provided data is deemed incomplete or errors noted, the respondents were re-contacted over the phone for further clarification. The level of measurement that was deemed suitable for this study was ordinal scale for the demographic data and scale/interval intervals for the main research questions in the structured format with a quantitative scale. Data was then analyzed using statistical package for social sciences (SPSS) version 20 computer software by finding out the key correlation between various dimensions/parameters of entrepreneurial social support group factors that influence the entrepreneurial behavior of the equity bank customers. The study utilized regression test to evaluate the correlation between the independent and the dependent variables. In addition, the regression test made it possible to construct the regression equation, which presented the individual statistical impact of each independent variable which are the entrepreneurial social support group factors on the dependent variable, the entrepreneurial behavior.

The regression equation that will be used in data analysis will be;

$$Y = a + AX_1 + BX_2 + CX_3 + DX_4 + e$$

Where;

**Y** = Entrepreneurial Behavior

**a** = Constant

**X<sub>1</sub>** = Social Networks

**X<sub>2</sub>** = Mentorship

**X<sub>3</sub>** = Financial education

**X<sub>4</sub>** = ICT

**e** = margin of error or allowance



## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This part of the study, presents the findings from the field survey. The section shall present the data collected, then subsequently analyze it and finally discuss it. The first item covered focuses on the response rate, the second section covers the demographic details of the respondents, and finally the third section covers the research variables. The presentation of data will be made using frequency tables. The tabulations will be presented using frequency descriptive and percentages for all items in the questionnaire. The study will also perform regression analysis which will evaluate the relationship between the independent and the dependent variables. Finally the findings from the study are discussed drawing parallels between the findings for each research variable and the literature review.

### **4.2 Response Rate**

The study targeted all the equity bank entrepreneurial groups within Nairobi County, which was estimated to be, 750. A sample of 45 groups was derived from the target population. For each of the 45 groups, 2 members were identified to participate in the study. The researcher distributed 90 questionnaires to all the participating respondents. A total of 75 questionnaires were returned in time to proceed with data analysis and presentation. For the 75 questionnaires returned, it represented 83% of the response rate. The response rate was consistent with Orodho (2009) recommendations, who deduced that a response rate of over 50 % is sufficient for undertaking data analysis. In addition, Mugenda and Mugenda (2008) postulated that a response rate of over 70% is extremely good to produce efficient results. Therefore 83% response rate obtained in this study is therefore statistically sufficient to undertake data analysis.

### **4.3 Demographic Details of the Respondents**

The demographic details covers the background details of the respondents, which include; age distribution, education level, business area of interest and the entrepreneurial experience of the respondents.

### 4.3.1 Distribution of Respondents by Age

The study sought to estimate the average age distribution among the entrepreneurs within Nairobi region. The data presented in table 4.1 highlight the age distribution across entrepreneurs across different sectors.

**Table 4.1 Age Distribution**

<b>Age distribution</b>	<b>Frequency</b>	<b>Percent</b>
18 - 30 years	27	36 %
31 - 35 years	22	29 %
36 - 40 years	12	16 %
41 - 45 years	11	15 %
Over 46 years	3	4 %
<b>Total</b>	<b>75</b>	<b>100 %</b>

(Source: Research Data, 2017)

The findings in table 4.1 indicate that majority of the respondents; about 36% were in the age group 18 – 30 years. About, 29% of the respondents indicated that they were in the age group between, 31 – 35 years; about 16% indicated to be 36 – 40 years; about 15% indicated that they were in the age group, 41 – 45 years. Finally, only 4% of the participants indicated that they were in the aged over 46 years. The findings indicate that, majority of entrepreneurs who are listed in different entrepreneurial social support groups are at their youthful age between 18 – 40 years. This implies that a majority of new small scale enterprises in equity bank are being established and run by young entrepreneurs.

### 4.3.2 Distribution of Respondents by Education Level

The data in table 4.2 presents the distribution in levels of academic attainment among the respondents.

**Table 4.2 Level of Education**

<b>Academic attainment</b>	<b>Frequency</b>	<b>Percent</b>
Secondary School Certificate	7	9 %
Certificate	19	25 %
Diploma	33	45 %
Degree	16	21 %
<b>Total</b>	<b>75</b>	<b>100</b>

(Source: Research Data, 2017)

The findings in table 4.2, indicate that majority of the respondents, about 45% had attained an education level to the Diploma level. About, 25% of the respondents indicated that they attained a certificate, 21% indicated that they had attained a Bachelors degree whereas 9% of the respondents indicated that they had attained High school education. The study makes a finding that; majority of respondents had attained sufficient academic comprehension thus competent enough to execute important business tasks.

#### **4.3.3 Distribution of Respondents by Business Area of Interest**

The data in table 4.3 presents the respondents distribution in terms of business area of interest, across three main sectors notably; manufacturing, trade, and service sector.

**Table 4.3 Business Area**

<b>Business Sector</b>	<b>Frequency</b>	<b>Percent</b>
Manufacturing	18	24%
Trade	32	43%
Service sector	25	33 %
<b>Total</b>	<b>75</b>	<b>100 %</b>

(Source: Research Data, 2017)

The findings in table 4.3, indicate that majority of the respondents, about 43% indicate that they participated in the trade sector. About 33% of the respondents indicated that they were in the Service sector and finally about 24% of the respondents indicated that they were in the manufacturing. The findings imply that, an overwhelming majority of entrepreneurs at equity bank

in Nairobi county who are in the small businesses largely pursue trade and services sectors, with only few opting for the manufacturing sector.

#### 4.3.4 Distribution of Respondents by Experience

The data in table 4.4 present the distribution of respondents in terms of experience in their entrepreneurial endeavors.

**Table 4.4 Experience as entrepreneur**

<b>Experience</b>	<b>Frequency</b>	<b>Percent</b>
Below 5 years	10	13 %
6 - 10 years	37	49 %
11 - 15 years	22	29 %
16 - 20 years	6	8 %
<b>Total</b>	<b>75</b>	<b>100 %</b>

(Source: Research Data, 2017)

The findings in table 4.4 indicate that, majority of the respondents; about 49% indicated that they had an entrepreneurial experience of about 4 – 10 years. About, 29% of the respondents indicated that they had an experience of 11 – 15 years; about 13% indicated that they had an experience of below 5 years, whereas a marginal 8% of the respondents indicated that, they had an experience of about 16 – 20 years. The study makes a finding that, majority of entrepreneurs at equity bank in Nairobi county have a decade of experience which indicates that majority of these businesses were growing young and growing steadily.

#### 4.4 Entrepreneur Social Support Group Factors

This part of the study highlights the effect of entrepreneurial social support group factors on the entrepreneurial behavior. The study sought respondent's views on the influence of entrepreneurship social support group factors, notably; social networks, mentorship, financial education and ICT integration on the entrepreneurial behavior. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly disagree. The tabulations averaged all the respondents' opinions for each questions using measures of central tendencies notably; means and standard deviation. For the interpretation of the Mean (M) values; for  $1 \geq M <$

1.5, will indicate that respondents strongly disagree, for  $1.5 \geq M < 2.5$ , will indicate that the respondents disagree, for  $2.5 \geq M < 3.5$  will indicate that, respondents have opted for a neutral position, for  $3.5 \geq M < 4.5$  will indicate that the respondents agree and finally for  $4.5 \geq M \leq 5$  will indicate that respondent strongly agree.

#### **4.4.1 Social Networks**

The Study sought to evaluate the influence of social networks in enhancing entrepreneurial behavior. The data in table 4.5 presents the respondents views on the impact of social networks factors on entrepreneur behavior.

The findings in table 4.5 highlight the respondent's opinions on the influence of social networks on the entrepreneurial behavior. The findings show that, respondents agree (mean of 4.43, SD = 0.681) that social networks have enabled Equity Bank Clients businesses benefit from the best professional services such as, legal, accountancy, auditing etc at reasonable fee, and has enhanced the business accountability. The findings also demonstrate that, respondent agree (mean = 4.40, SD = 0.637) that social networks have enabled entrepreneurs to acquire services of skilled and committed personnel, who have improved on business productivity. The data analyzed further indicates that, respondents agree (mean = 4.32, SD = 0.640) that social networks have enabled the entrepreneurs register increased customer traffic.

The findings indicate that, respondents are in agreement (Mean = 4.28, SD = 0.727) that social networks have contributed to increased offers for business partnerships. The field data highlights that, respondent are in agreement (mean = 4.27, SD = 0.759) that through social networks entrepreneurs have been able to register increased market share though crafting of niche products. The study finds that, respondent are in agreement (mean = 4.01, SD = 0.771) that social networks have enabled the entrepreneurs link-up, to providers of small business technology tools that is best for the particular industry.

The findings indicate that respondents agree (Mean = 3.89, SD = 0.831) that social networks enable Equity Bank Clients link up with important suppliers during the early stages of the business. The data analyzed indicate that, respondents are in agreement (mean of 3.84, SD = 0.754) that social networks have enabled entrepreneurs discover numerous ways for raising capital that is needed for expanding their businesses. The study concludes that entrepreneurial social support groups have

been critical in offering Equity Bank clients who are budding entrepreneurs important networks that link them to suppliers, services providers and even capital financiers.

**Table 4.5 Social Network Factors Mean and Standard Deviation**

<b>Impact of Social Networks</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Access to professional services	75	4.43	.681
Links to qualified personnel	75	4.40	.637
Increased customer traffic	75	4.32	.640
Increased partnerships	75	4.28	.727
Increased market share	75	4.27	.759
Link to technology providers	75	4.01	.771
Supplier connections	75	3.89	.831
Raising capital	75	3.84	.754
<b>Average</b>	<b>75</b>	<b>4.18</b>	<b>.725</b>

(Source: Research Data, 2017)

#### **4.4.2 Mentorship**

The study sought to evaluate the influence of mentorship that is offered by social support groups in enhancing entrepreneurial behaviors amongst entrepreneurs. The study sought respondent's opinions on the influence of mentorship on the entrepreneurial behavior. The findings in table 4.6 presents field data gathered on respondents opinions on the impact of mentorship on shaping entrepreneur behavior. The findings indicate that, respondents strongly agree (mean of 4.59, SD = 0.617) that mentorship has enabled respondents overcome startup challenges, also the respondents strongly agree (Mean = 4.55, SD = 0.599) through mentorship, entrepreneurs have been able to build conducive work environment that has built good employee relationships. The findings indicate that, respondents strongly agree (mean of 4.52, SD =0.503) that mentorship has enabled the entrepreneurs develop confidence that has enabled them tackle all kinds of challenges they face while executing their business operations.

The findings show that respondents agree (mean of 4.41, SD = 0.639) that mentorship has enabled the respondent's embraces affirmative business ethics that has improved their ways of doing businesses. The data analyzed indicate respondents agreement (mean of 4.37, SD = 0.653) that through mentorship entrepreneurs have been able to adopt better management skills that has

improved their business skills. The findings indicate that the respondents agree (mean of 4.36, SD = 0.671) that mentorship has enabled the respondents develop better business coordination skills. The analyzed data show that, respondents agree (mean = 4.36, SD = 0.782) that through mentorship, entrepreneurs have been able to share and exchange important skills that are useful to the growth of their businesses. Finally the findings of the study indicate that the respondents agree (mean of 4.47, SD = 0.664) that through mentorship entrepreneurs have been able to improve service delivery. The study concludes that, Equity Bank clients who are upcoming entrepreneurs have benefitted greatly from the links to social support groups, where they have been able to acquire positive mentorship that has greatly influenced their approach to improving their businesses.

**Table 4.6 Mentorship Factors Mean & Standard Deviation**

<b>Effect of entrepreneurial mentorship</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Overcoming start-up challenges	75	4.59	.617
Enhanced employee relations	75	4.55	.599
Confidence in tackling Challenges	75	4.52	.503
Enhanced business ethics	75	4.41	.639
Management skills	75	4.37	.653
Enhanced coordination skills	75	4.36	.671
Business skills exchange	75	4.36	.782
Steady improvement in service delivery	75	4.27	.664
<b>Average</b>	<b>75</b>	<b>4.429</b>	<b>.641</b>

(Source: Research Data, 2017)

#### **4.4.3 Financial Education**

The study sought to evaluate the effect entrepreneurial social support groups in offering financial education on the enhancing entrepreneurial behavior among entrepreneurs. The findings in table 4.7 present respondent's opinions on the influence of financial education on entrepreneur behavior. The findings indicate that respondents strongly agree (mean of 4.55, SD = 0.501) that financial education has enabled entrepreneurs develop proficiency in managing their financial resources. The findings show that respondents strongly agree (mean of 4.53, SD = 0.528) that financial education has enabled entrepreneurs enhance mechanisms for financial reporting which has

improved financial accountability. The data analyzed indicate that respondents strongly agree (mean = 4.52, SD = 0.503) that financial education has enabled the entrepreneurs develop habit of saving and reinvesting their profits.

The field survey data show that respondents agree (mean = 4.49, SD = 0.505) that financial education has enabled entrepreneurs raise more capital and also improve on business expenditures. The findings indicate that respondents agree (mean = 4.46; SD = 0.523) that financial education has enabled entrepreneurs embrace proper financial planning in their businesses resulting in enhanced credit worthiness. Finally, the findings indicate that respondent agree (mean = 4.38, SD = 0.587) that financial education has enabled entrepreneurs embrace skills on making effective financial decisions which have improved their businesses level of liquidity. The study concludes that Equity Bank social support groups have instilled positive financial management skills and attitude, upon the Equity Bank clients, who also make up the upcoming entrepreneurs. The study concludes that financial education instills financial skills which are a fundamental primary requirement for the success in any form of business.

**Table 4.7 Financial Education factors Mean & Standard Deviation**

<b>Financial Education</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Effective financial management	75	4.55	.501
Enhanced financial reporting	75	4.53	.528
Saving and investing	75	4.52	.503
Increased capital base	75	4.49	.505
Enhanced credit value	75	4.46	.523
Effective financial decisions	75	4.38	.587
<b>Average</b>	<b>75</b>	<b>4.48</b>	<b>0.525</b>

(Source: Research Data, 2017)

#### **4.4.4 Information Communication and Technology**

The study sought to evaluate the influence of entrepreneur social support groups in influencing the adoption and utilization of ICT platforms among entrepreneurs to grow their businesses. The findings in table 4.8, present the respondent’s opinions on the influence of utilization if ICT systems on the entrepreneurs businesses. The findings indicate that, respondents agree (mean of 4.45, SD = 0.643) that entrepreneurs have integrated ICT platforms on important tasks which has



enhanced efficiencies in executing business operations. The data analyzed show that, respondents agree (mean of 4.41, SD = 0.664) that entrepreneurs have embraced electronic means of payments which has enhanced levels of efficiency and improved service delivery in their businesses. The findings highlight that, respondents agree (mean = 4.39, SD = 0.622) that through adopting the ICT systems entrepreneurs been able to cut down on advertising costs thus reducing operational costs. The data analyzed show that, respondents agree (mean =4.32, SD =0.597) that ICT platforms have enabled real-time interaction with the customers. The findings indicate that, respondents agree (mean of 4.26, SD = 0.536) that ICT interconnection, has made it easier to share important business information. Finally, the findings show that, respondents agree (mean = 4.11, SD =0.697) that entrepreneurs have benefitted from enhanced ways of advertising and creating product awareness through utilization of ICT platforms in their businesses. The study concludes that Equity Bank social support groups offer important guidance to the new entrepreneurs in embracing unique technology platforms that support small business operations. The study concludes that, through use of ICT platforms Equity bank clients have identified easier ways of integrating smarter ways of executing business operations.

**Table 4.8 ICT Integration factors Mean & Standard Deviation**

<b>ICT in Entrepreneurship</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
ICT integration	75	4.45	.643
Transactions efficiency	75	4.41	.664
Reduced advertising costs	75	4.39	.622
Real time interactions	75	4.32	.597
Business information	75	4.26	.536
Effective advertising	75	4.11	.697
<b>Average</b>	<b>75</b>	<b>4.32</b>	<b>0.627</b>

(Source: Research Data, 2017)

#### **4.5 Entrepreneurial Behavior**

The study sought to examine the effect of entrepreneurial social support groups on the behavior of entrepreneurs. The dimensions for entrepreneurial behavior captured include; motivation, risk taking, opportunity oriented and innovation.

#### **4.5.1 Motivation**

The data in table 4.9 presents the motivation factors mean and standard deviation, in the respondent's opinions on the effect of entrepreneur social support groups on the motivation of entrepreneurs. The findings indicate that the respondents strongly agree (mean of 4.51, SD = 0.880) that entrepreneurs have gained confidence in executing tough tasks for the business with much ease. The study establishes that, respondents agree (mean of 4.49, SD = 0.897) that Equity Bank clients have gained courage to tackle any administrative challenge that they face in their businesses.

The findings show that, respondents agree (Mean of 4.44, SD = 0.927) that through social support, entrepreneurs have developed positive attitude in undertaking all critical decisions in their businesses. Study makes a finding that, respondents agree (Mean of 4.37, SD = 0.995) that entrepreneurs have gained self-confidence in approaching other investors to seek funding for their businesses. The findings indicate that, respondents agree (mean of 4.36, SD = 0.979) that entrepreneurs have been able to create a friendly working environment for their employees and also customers. In conclusion the study has established that, equity bank social support groups for entrepreneurs have wielded positive spirit to the equity bank clients who are upcoming entrepreneurs. From the findings in this study, it's clear that the clients have gained confidence to tackle issues within business, approach financiers to seek capital for expansion and also embrace positive working environment to improve their businesses.

**Table 4.9 Motivation factors Mean & Standard Deviation**

<b>Motivation Factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I have gained confidence in executing tough tasks for the business	75	4.51	.880
I have gained courage to tackle any administrative challenge that face my business	75	4.49	.897
Through social support, I have developed positive attitude in undertaking all critical decisions of the business	75	4.44	.927
I have gained self-confidence in approaching investors to seek funding for business	75	4.37	.995
I have been able to create a friendly environment for both my employees and customers	75	4.36	.979
<b>Average</b>	<b>75</b>	<b>4.34</b>	<b>0.936</b>

(Source: Research Data, 2017)

#### 4.5.2 Risk Taking

The data in table 4.10 presents the mean and standard deviation for Risk Taking factors, derived from the respondent's opinions on the effect of social support groups on risk taking as a character upon the entrepreneurs. The findings show that, respondents agree (Mean of 4.43, SD =0.941) that entrepreneurs have gained confidence to diversify their business operations. The study establishes that respondents agree (Mean= 4.24, SD = 0.924) that entrepreneurs have gained courage to apply for bigger loans to support their businesses. The findings show that, respondents agree (Mean of 3.94, SD = 0.976) that entrepreneurs have gained confidence to try out the use of new technologies to support their business. The findings indicate that, respondents agree (Mean = 3.93, SD =1.300) that they found it useful to accommodate new investors in their businesses. The study makes a finding that respondents agree that (Mean = 3.91, SD = 0.959), entrepreneurs have found interest in acquiring new skills through enrolling in a technical institution. The study concludes that through social support, Equity Bank Clients who are budding entrepreneurs have gained confidence to expand their business portfolios and seek new challenges. In addition the study concludes that, entrepreneurs have gained confidence in courting potential investors to seek for funding to support their business. Finally, the study establishes that Equity Bank Clients have

found it useful to tap into technological solutions in a way of enhancing their efficiencies in business tasks execution.

**Table 4.10 Risk Taking factors Mean & Standard Deviation**

<b>Risk Taking Factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I have gained the confidence to diversify my business operations	75	4.43	.941
I have gained courage to apply for bigger loans to support my business	75	4.24	.924
Am able to try new technologies to support my business	75	3.94	.976
I have found it useful to accommodate new investors in my business	75	3.93	1.300
I look forward to acquire new skills by enrolling in a technical institution	75	3.91	.959
<b>Average</b>	<b>75</b>	<b>4.09</b>	<b>1.02</b>

(Source: Research Data, 2017)

### 4.5.3 Opportunity Oriented

The data in table 4.11 presents the Mean and Standard deviation derived from the respondent's opinions on the influence of social support groups in imparting virtues of opportunity driven and orientation among the entrepreneurs. The findings show that, respondents agree (Mean = 4.16, SD = 0.927) that entrepreneurs have now embraced taking up equity financing from potential investors for their businesses. The findings indicate that, the respondents are in agreement (Mean of 4.10, SD = 0.950) that the entrepreneurs plan to expand their businesses through opening new branches in different places. The study establishes that, respondents agree (Mean of 4.14, SD = 0.889 ) that entrepreneurs look forward to trying out to apply for government tenders in the counties in effort to expand their businesses. The findings indicate that, respondents agree (Mean = 4.23, 0.966), that entrepreneurs plan to use their profits to set up new business in a different sector away from the present one.

The findings show that respondents agree (Mean of 3.81, SD = 1.111) that entrepreneurs have considered to set aside funds dedicated in financing new investment options that may come up in their sectors. The study makes a conclusion that equity bank clients have benefitted from the social support groups, that they have gained confidence in committing efforts towards expanding their market and try to seek tenders from regional governments. Finally, the study has established that, entrepreneurial social support groups have enabled the entrepreneurs become more dynamic in diversifying their businesses into other sectors.

**Table 4.11 Opportunity Oriented Factors Mean & Standard Deviation**

<b>Opportunity Oriented Factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I have found it necessary to invite new investors into the business	75	4.16	.927
I plan to expand my business by opening new branches in different places	75	4.10	.950
I look forward to applying for government tenders in the counties to support my business	75	4.14	.889
I plan to use my profits to set up new business in a different sector away from the current one	75	4.23	.966
I have set funds aside to finance new investment options that may come up in my sector	75	3.80	1.111
<b>Average</b>	<b>75</b>	<b>4.09</b>	<b>0.969</b>

(Source: Research Data, 2017)

#### **4.5.4 Innovation**

The data in table 4.12 present the mean and standard deviation from the respondent's views on the impact of entrepreneur social support groups on innovation among the entrepreneurs. The findings indicate that, respondents agree (Mean of 4.49, SD = 0.879) that entrepreneurs have considered setting funds aside to finance the improvement of the current services that are on offer. The study establishes that respondents agree (Mean of 4.31, SD = 0.790) that entrepreneurs are looking forward to embracing new ways of doing business within their sector. The findings indicate that respondents agree (Mean = 4.19, SD= 0.786) that entrepreneurs are considering introducing new

products on a regular period of time. The findings indicate that, respondents agree (Mean = 4.14, SD = 0.839) that, the entrepreneurs have found positive way of accommodating talent in their businesses to offer unique services to their clients.

Finally, the study establishes that, respondents agree (Mean of 4.01, SD = 1.136) that entrepreneurs have embraced product research and improvement in service delivery as a way to build competitive edge for their businesses. From the findings of the study, it's clear that Equity Bank social support groups have instilled the confidence among its clients who are upcoming entrepreneurs and they understand the importance of innovation within their businesses, as a way to enhance the services they currently offer, but more importantly, creating themselves a competitive edge in order to survive in business.

**Table 4.12 Innovation Factors Mean & Standard deviation**

<b>Innovation factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I look forward to funding the improvement of the current services we offer	75	4.46	.879
I look forward to embracing new ways of doing business in this sector	75	4.31	.790
I consider introducing new products on a regular basis	75	4.19	.786
I have found positive way to accommodate talent in my business to offer unique services	75	4.14	.839
I have embraced product research and improvement in service delivery as a way to build competitive edge for my business	75	4.01	1.136
<b>Average</b>	<b>75</b>	<b>4.22</b>	<b>0.886</b>

(Source: Research Data, 2017)

#### **4.6 Regression Analysis**

The study performed a multivariate regression test to evaluate for existence of statistical relationship between the independent variables, notably; social networks, mentorship, financial education and ICT, and the dependent variable notably; entrepreneurship behavior. The combined

regression model adopted the regression equation, to help in drawing the relationships between the variables. The linear regression test produced three tables which include the Model Summary, ANOVA and the Coefficients Table.

**Table 4.13 The Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.941	0.885	.200	.14102
a. Predictors: (Constant), Social networks , Mentorship , Financial Education, ICT				

(Source: Research Data, 2017)

The findings in table 4.13, present the model summary results for the regression test on the impact of entrepreneur social support factors, notably; social networks, mentorship, financial education and ICT on the entrepreneur behavior. The test records, an R Correlation value of 0.941, and an R Squared value of 0.885. The R value of 0.941 indicates that there exists a strong positive correlation between the independent and dependent variable. R Square value of 0.885, indicate that, the independent variables including; social networks, mentorship, financial education and ICT, account for 88.5 % of variability in entrepreneurial behaviour .

**Table 4.14 ANOVA Table for the Multiple Regressions**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	.447	4	.112	55.62	.001
Residual	1.392	70	.020		
<b>Total</b>	<b>1.839</b>	<b>74</b>			
Dependent Variable: Entrepreneur behavior					
Predictors: (Constant) Social networks , Mentorship , Financial Education, ICT					

(Source: Research Data, 2017)

The findings in table 4.14, present the Analysis of variance (ANOVA) results of the multivariate regression test, of the impact of entrepreneurial social support factors and on the entrepreneurial behavior. The test is reflected in significance level 0.01 (99% confidence interval). The test,

deduces an F statistic value  $F(4, 70) = 55.62$  ( $p = 0.001$ ,  $p < 0.01$ ). The test registered a p-value of 0.001 which imply that, there exists a significant statistical association between, entrepreneur social support factors notably; social networks, mentorship, financial education and ICT, and the dependent variable entrepreneur behavior.

**Table 4.15 The Coefficients Table**

	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	<b>t</b>	<b>Sig</b>
(Constant)	2.626	.440		5.961	.000
Social Networks	.097	.052	.239	1.842	.000
Mentorship	.011	.071	.019	.158	.000
Financial Education	.279	.081	.364	3.468	.001
ICT	.036	.061	.083	.584	.001
Dependent Variable: Entrepreneur behavior					

**(Source: Research Data, 2017)**

The findings in table 4.15, present the coefficients computation results which have derived from the regression test between entrepreneurial social support factors and their impact on the entrepreneurial behavior. The regression test is reflected at 0.01, significance level. The test computes p value, Beta coefficient and t statistic value for all independent variables, notably; social networks (Beta = 0.239, t-statistic = 1.842,  $p = 0.000$ ), mentorship (Beta = 0.019, t –statistic = 0.158,  $p$ -value = 0.000), financial education (Beta = 0.364, t-static = 3.468,  $p$ -value = 0.001) and ICT (Beta = 0.083, t-statistic = 0.584,  $p$ -value = 0.001). The p value for all the independent variables in the test was less than 0.01, which indicated that all the independent variables exhibited significant level of statistical association with the independent variable.

The study adopted the regression equation to help in evaluating the impact of independent variables on the dependent variable. The regression system equation that was adopted in the study is as following;



$$Y = a + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + e \text{ where;}$$

$Y$  = Dependent variable (Entrepreneur behavior),

$a$  = constant

$X_1$  = Social networks

$X_2$  = Mentorship

$X_3$  = Financial education

$X_4$  = ICT

$e$  = error margin

The regression test yielded the following equation;

$$Y = 2.626 + 0.097X_1 + 0.011 X_2 + 0.279 X_3 + 0.036 X_4$$

The test results for the regression test indicate a quantitative impact for each independent variable on the dependent variables. The test results indicate that, for any change in social networks, will induce a 0.097 units change in entrepreneur behavior. The test result also revealed that, for any change in mentorship, it will induce a 0.011 unit's change in entrepreneurship behavior. The test reveals that for any change in financial education, it will trigger a 0.279 unit's change in entrepreneur behavior. Finally, the test has revealed for any change in ICT, it will induce a 0.036 unit change for the entrepreneurship behavior. The study makes a finding that, for any change in the entrepreneur social support factors notably; social networks, mentorship, financial education and ICT will induce a positive change in entrepreneur behavior.

#### **4.7 Discussion of Findings**

The study sought to evaluate the impact of entrepreneurial social support groups on enhancing entrepreneurial behavior. The study centralized on the effect of entrepreneurial social support factors notably; social networks, mentorship, financial education and ICT on the entrepreneur social support groups. The findings of the study indicate that, the social networks wield significant influence on entrepreneurial social support by shaping their entrepreneurship behavior. These

findings are consistent with Hakala (2007), Peprah (2013) and Barr (2015), who acknowledged that, social networks create a platform that enables information exchange, motivation, advice, or even cooperation for specific initiatives as long as they can result to strong ties in the business environment. The findings of the study are in agreement that, through social networks, experienced entrepreneurs share information, skills and resources to inexperienced entrepreneurs which enable them to gain insightful wisdom to catapult their businesses towards growth.

The findings of the study agree with Chang (2010) who linked the growth rate of small business with the levels of interconnection with social networks. The findings indicate that, social networks created a platform through which the entrepreneurs are able to meet with other entrepreneurs who can help the entrepreneur expand their business through offering investment capital and access to bigger market through increased customer numbers. The findings in this study agree with Bradford (2014), who postulated that social networks formed a critical pillar that ensured survival and the steady growth of small businesses. The findings also agree that strong base of social networks, significantly enhanced entrepreneurs household income growth over a period of time.

The findings of the study agree with Cull (2006) and Aubert (2014) who indicated that, mentors helped entrepreneurs avoid undertaking business approaches that could potentially damage their growth. The study agrees that mentors advice entrepreneurs on ways to develop strategies that are effective in executing technical business operations clear from amateur errors. The findings of the study agree with (Sorensen, 2007) who posited that, exposure to business skills for a long time or from the young age, enabled the entrepreneurs build strong business skills that enhanced their likelihood of success. The findings of the study also agree with Nanda and Sorensen (2010) who highlighted the link between the mentorship and enhanced business capacity among the entrepreneurs. The findings of the study indicated that mentorship enables the mentees build capacity that enhances their levels of business success.

The findings of the study agree with Njoroge (2013), who expressed that financial literacy enabled individuals understand the scope of personal finances and understood the amounts which they can commit them for funding activities. The findings agree that, financial education was very crucial in assisting the entrepreneurs understand important financial management skills, to enable them effectively manage their business financial resources. The findings of the study agree with Musie (2015), who expressed that financial education was critical in enabling the respondent understand

the importance of developing comprehensive record management behaviors in order to entrench efficiency in coordination and handling of financial documentation operations such as financial reporting, which improves the overall levels of business accountability.

The findings agree with Jagodic and Dermal (2015) who expressed that ICT integration within the business framework enabled the business realize increased levels of operational efficiency. The findings agree that, technological tools offer numerous mechanisms for automating different kinds of tasks and ensuring effective and concurrent task execution improving efficiency levels. The findings of the study agree with Alam et al. (2011), who postulated that ICT was highly useful in helping the business tap into the prospects of innovation to enhance the possibility of success among small scale entrepreneurs.

The study adopted Schumpeter theory and psychological entrepreneurship theory. The findings of the study support the perspectives of both theories. The findings of the study support, Schumpeter theory, where the theory postulates that, one character of an entrepreneur was the ability to put together strategies and set of operations that are directed towards realization of concurrent business success (Ebner, 2006). The findings of the study, support coon (2002) observation, who explained that psychological entrepreneurship theory highlight the entrepreneurs are defined by the character they display in most times, when faced by situations. The findings also agree with Amolo and Migiyo (2014), who supported psychological entrepreneurship theory who indicated that entrepreneurs were largely influenced by inherent entrepreneurial characteristics which needed guidance to realize optimal potential.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This section of the study covers the summary of the findings, conclusion and recommendations. The summary of findings explores on the main findings of the field survey. The section also presents conclusion on the study findings and highlights the influence of entrepreneurial social support on the entrepreneur behavior. This section will also present the recommendation of the study.

### **5.2 Summary of the Findings**

The study sought to evaluate the impacts of entrepreneurial social support groups in enhancing entrepreneur behavior. The study commenced with an evaluation of the social networks effect in enhancing entrepreneurial behavior. The study found that, about 71% of entrepreneurs registered social support groups been able to get connections to suppliers. The study established that at least 70% of entrepreneurs have benefitted from links on ways to raise capital for expanding their businesses. About 73% of entrepreneurs have directly benefitted from access to technology tools that are convenient for small business operations. The study establishes that, links to social networks has enabled at least 91% of entrepreneurs to register increased customer traffic.

The study makes a finding that, social networks has enabled at least 94% of entrepreneurs have benefitted from different kinds of business partnerships. Through social networks, about 89% of the entrepreneurs have benefitted from growth of market share. The study established that, 97% of entrepreneurs have been able to acquire services of qualified personnel through networks. The study also found that, social networks enabled about 94 % of the respondents have access to professional services such as legal and accountancy which has impacted positively on the business administration.

The study evaluated the effect of mentorship towards enhancing entrepreneur behavior. The study established that, at least 96% of the entrepreneur gained skills and motivation on ways to tackle and overcome teething business challenges. The study also found that, 82% of entrepreneurs have benefitted from business information sharing. The study established that, about 91% of entrepreneurs, listed in social support groups have gained better business management skills. The

study makes a finding that 72% of entrepreneurs who are members of social support groups have enhanced coordination and organization skills.

The study found that all entrepreneurs who have been offered social support have developed confidence in approach to tackling challenges. The study established that 92% of entrepreneurs have embraced positive business ethics through participation in mentorship programs. Through mentorship, the study found that 90% of participating entrepreneurs were able to enhance their approach to service delivery. The study established 98 % of entrepreneurs were able to realize improved employee relations.

The study examined the contribution of social support group factors in imparting financial education among the entrepreneurs. The study found that, all the entrepreneurs who benefitted from social support embraced the culture of saving and re-investing their revenues for the growth of the business. All the entrepreneurs also embraced new ways of making financial decisions through concise and comprehensive evaluation. The entrepreneurs were also found to adopt formal financial reporting strategies while executing their daily financial operations. The study also established that, entrepreneurs, undertaking mentorship, were able to build strategies for expanding their business capital base and also developed acumen for managing all the business financial resources.

The study evaluated the effect of integrating ICT in running the business. The study found that about 97% of entrepreneurs have embraced the use of ICT applications in different business operations. The study also made a finding that, about 97% of the entrepreneurs, have adopted the initiative of seeking and sharing business information through the use of ICT platforms. The study established that, 92% of the entrepreneurs registered effective deployment of their advertisements. The study found that, 96% of the entrepreneurs who embraced ICT recorded reduced advertising costs. The study noted that, 98% of the entrepreneurs who have embraced ICT have benefited from constant and real-time interactions with their customers. The study established that, 98% of the entrepreneurs have benefited form enhanced levels of efficiency in different business transactions. The study found that, all the entrepreneurs who have benefitted from social support, have registered strong character growth, they are able to approach and tackle any kind of challenges that

they encounter while undertaking their daily business activities. The study also found that the entrepreneurs have embraced the habits of putting together long term plans and developed future oriented mindset. The study also establishes that, social support instilled character development mindset among the employees, where they are able to recognize and appreciate their strengths and weaknesses. The study also established that, through guidance and social support, the entrepreneurs have developed positive habits such as; team work approach, aggressiveness, self evaluation, and building friendly working environment. The study found that, entrepreneurs who have participated in social support, embraced the approach of diversifying their business portfolio. The study established that through social support the entrepreneurs were able to develop a character of continuously upgrading their skills. Finally the study, established that all the entrepreneurial social support variables, notably; social networks, mentorship, financial education and ICT, wielded significant effect on the entrepreneurs behaviors.

### **5.3 Conclusions**

The study examined the effect of entrepreneurial social support groups in enhancing the entrepreneur behavior of entrepreneurs. The study examined numerous social support factors, namely; social networks, mentorship, financial education and ICT, and evaluated the impacts they have had in shaping the entrepreneurs behavior. Through social networks, entrepreneurs were able to link-up with suppliers, formed partnerships and learned tactics in attracting qualified personnel, and accessed professional services that is required in their businesses. These were direct outcomes of being a member Equity bank entrepreneurial social support groups. The social support groups also impacted positively on entrepreneurs by imparting them with capital sourcing methods which is needed in supporting the growth and expansion of their business. The study concludes that, social networks enhanced entrepreneur's approaches to attracting and retaining customers. The social support availed to entrepreneurs enabled them enhance their business execution models and embraced new tools like the integration of technological systems in various ways of undertaking the business operations.

The study concludes that mentorship forms a critical support platform through which a budding entrepreneur is able to accrue wealth of knowledge and wisdom through which they can build a strong foundation for the growth of their enterprises. Mentorship offered by social support groups

has instilled significant level of fundamental discipline, which has enabled the entrepreneurs overcome challenges encountered at the initial stages while setting up the business. The study concludes that, social support groups have availed mentorship models that have created platform for sharing and exchanging important business skills and expertise, which has greatly enhanced the capacities of entrepreneurs. Entrepreneurs have gained diverse skills in; business management, operations coordination, business ethics and service delivery. In addition, mentorship programs have instilled entrepreneurs with social skills that have helped them build strong employee relations within their businesses enhancing the levels of service delivery.

The study concludes that social support groups have imparted financial education on the entrepreneurs, which has enabled them enhance their perspectives on financial operations. The study concludes that, through social support mentorship programs, entrepreneurs have gained insight on the importance of saving their profits and learned ways through which to reinvest their revenues in order to grow their portfolio. Financial education imparted through social support programs, has instilled positive financial resources management skills in areas of financial decision making and financial reporting. Through proficient and efficient financial management by entrepreneurs, they have been able to accrue dividends including, improved credit ratings and expanded capital base.

The study identified ICT as a critical component of modern day business operations. The study concludes that, ICT wields significant impact on success of any business. Through social support, entrepreneurs have been able to identify the best ICT tools and applications that a compatible with their businesses. Entrepreneurs have gained useful knowledge on important tasks within their businesses which can be integrated with ICT to enhance their levels of effectiveness and efficiencies. The study concludes that integration of ICT systems within small businesses, entrepreneurs have benefitted from easier and faster access of business information. The tasks which have significantly been positively impacted include; advertising, financial transactions and real time virtual customer interactions. In addition, ICT has resulted in reduced advertising costs.

The study concludes social support has instilled positive attributes on entrepreneurs including; long-term planning, goal setting and aggressiveness. Social support has enabled the entrepreneurs to grow mental strength and capacity needed to survive and compete in the business environment. The social support has enabled the entrepreneurs gain skills and wisdom of putting together teams

to deliver or undertake specified set of tasks and also creating a working environment, which is friendly and conducive. The study concludes that social support has motivated entrepreneurs diversify their business portfolio and also to continuously enhance their business skills.

#### **5.4 Limitations of the Study**

The study sought to examine the effect of entrepreneur social support groups towards enhancing entrepreneur behavior. The scope of sectors identified included the service sector, manufacturing and trade sectors. Considering that the study aimed at drawing a comprehensive picture on the impact of entrepreneur social support on all entrepreneurs across all economic sectors. In the course of carrying out the field survey, an overwhelming majority of the respondents were largely trade and service entrepreneurs. Very few entrepreneurs were available from the manufacturing sector to offer a clear balanced representative opinion from all the sectors. Thus it proved to be a difficult task to ensure even representation for all the economic sectors.

In addition to difficulty in identifying respondents from the manufacturing sector, it also compounded a subsequent challenge of making a comparative analysis across all diverse manufacturing fronts. The available entrepreneurs from the manufacturing sector were largely from the light industries, which made it difficult to draw parallels on different manufacturing subsectors and assessing whether the entrepreneurs share opinions on entrepreneurial behavior.

The study focused on entrepreneurs who ran small and mediums enterprises. The researcher established that a number of small businesses relied on small scale suppliers for their restocking of products and raw materials. A number of these small scale suppliers were noted to be disorganized and many were not formal businesses. This posed a challenge in estimating the quantifiable data on items related to costing as sourcing supplies and inputs from unregistered and informal businesses didn't capture the necessary transactional paperwork, creating a difficulty of verifying the validity of entrepreneur's opinions related to suppliers, inputs and costing.

#### **5.5 Recommendations**

The study draws conclusion on the significant impact of entrepreneurial social support in enhancing entrepreneur support. The study recommends that, social support groups to be enhanced into formal platforms that offer unique input in the life and growth of an entrepreneur in the



business world. The study recommends that, to enhance the effect and depth in knowledge of the groups social support programs, they should have formal patrons who are experienced professionals with massive knowledge in particular field of interest. The study also recommends, that mentorship programs that are adopted by mentors in social support groups should consider embracing evaluation models, implemented in a periodic phases to help in monitoring the progress of entrepreneurs who are participating.

The study recommends that, social support groups should be formalized in their models of operations and interactions. The content of interaction should be based on objectives of the social support group, and should have formal inter-group exchange programs that are aimed at sharing and exchanging mentorship experiences. The study, also recommends that, entrepreneur social support groups should integrate posterity programs, which will seek to inspire mentees become mentors at the end of the mentorship program, so as to ensure continuity in the entrepreneurial social support and skills exchange programs.

### **5.6 Suggestions for Further Studies**

The study sought to examine the influence of entrepreneurial social support groups in enhancing entrepreneur behavior for equity bank clients. The researcher recommends that, future studies should seek to narrow down the main study objective and dissect a specific economic sector, for example a study may seek to assess the influence of entrepreneurial social support groups in enhancing the capacity of entrepreneurs in the manufacturing sector. The study also recommends that future researchers should consider evaluate the measurable or quantifiable outcomes of individual social support factors such as the mentorship on building the entrepreneurial capacity of upcoming entrepreneurs. Finally, the study recommends future researchers to examine the importance of entrepreneurial social support towards the success of small enterprises.

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## APPENDIX I: QUESTIONNAIRE

### SECTION A: BACKGROUND INFORMATION

#### 1. Age Distribution

- i. 18 – 30 years
- ii. 31 – 35 years
- iii. 36 – 40 years
- iv. 41 – 45 years
- v. Over 46 years

#### 2. Education Level

- i. Secondary School Certificate
- ii. Certificate
- iii. Diploma
- iv. Degree

#### 3. Business Area of Interest

- i. Manufacturing
- ii. Trade
- iii. Service sector

#### 4. Experience as an entrepreneur

- i. Below 5 years
- ii. 6 – 10 years
- iii. 11 – 15 years
- iv. 16 – 20 years
- v. Over 20 years

In the subsequent sections, kindly indicate how much you agree/disagree with the following statements on a scale of 1 to 5 as per the table below:

<b>Level of Agreement</b>				
(1)	(2)	(3)	(4)	(5)
Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree

<b>SECTION B: SOCIAL NETWORKS</b>						
Please indicate the extent to which you agree with the following statement on the influence of social networks on enhancing entrepreneurial behavior among entrepreneurs						
No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	I have been able to link-up with important suppliers during initial stages of business					
2.	Through proxies , I have found ways to raise more capital for expanding my businesses					
3.	I have been linked with the providers of small business technology tools that is best for my business					
4.	My business has recorded increased customer traffic through referrals					
5.	The business has recorded an increased offers for business partnerships					
6.	My business has benefitted from increased market share through crafting of niche products					
7.	Through proxies the business has been able to acquire services of skilled and committed personnel, who have improved on business productivity					
8.	The business has benefitted from the best professional services such as, legal, accountancy, auditing etc at reasonable fee, and has enhanced the business accountability					

**SECTION C: MENTORSHIP**

Please indicate the extent to which you agree with the following statement on the influence of mentorship on enhancing entrepreneurial behavior among entrepreneurs.

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	I have benefited from constant advice on how to overcome challenges that faced the business at initial stages					
2.	I have benefitted from skills and knowledge on executing different business tasks					
3.	Through interactions with experienced colleagues I have been able to enhance my approach to business management					
4.	I have learned on methods of enhancing coordination and team work amongst employees to enhance organizational productivity					
5.	Through constant interactions with experts and experienced colleagues I have enhanced my levels of tackling any business challenges					
6.	I have learned to implement code of conduct and business ethics that has enhanced the values of accountability, punctuality and integrity.					
7.	The business has been able to put together mechanisms for consistently improving on service delivery					
8.	Through advice, I have identified and implemented strategies that have enhanced employee relations and optimal employee productivity in the business					

**SECTION D: FINANCIAL EDUCATION**

Please indicate the extent to which you agree with the following statement on the influence of financial education on enhancing entrepreneurial behavior among entrepreneurs

<b>No.</b>	<b>STATEMENTS</b>	<b>RATING</b>				
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	The business has put together strategies for saving and reinvesting its profits					
2.	I have gained knowledge on ways to make effective financial decisions which have improved business liquidity					
3.	Through proper financial planning the business credit worth has been growing steadily					
4.	The business has enhanced mechanisms for financial reporting and has improved on accountability.					
5.	The business has been able to raise more capital and improve on business expenditures.					
6.	The business is proficient in managing all its financial resources.					

**SECTION E: INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)**

Please indicate the extent to which you agree with the following statement on the influence of ICT on enhancing entrepreneurial behavior among entrepreneurs

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The business has integrated ICT on important tasks which has enhanced efficiency					
2.	Through interconnection, it has made it easier to share important business information					
3.	The business has been able to tap into ICT platforms to enhance the ways for advertising and creating product awareness					
4.	The business has been able to utilize digital ICT platforms to cut down on advertising costs thus reducing operational costs					
5.	The business has created social media accounts which have enabled real-time interaction with the customers					
6.	The business has integrated electronic means of payments which has enhanced levels of efficiency and improved service delivery					

## SECTION F: DIMENSIONS OF ENTREPRENEURIAL BEHAVIOUR

<b>A. MOTIVATION</b>						
Please indicate the extent to which you agree with the following statement on influence of entrepreneurial social support groups on entrepreneur motivation						
<b>No.</b>	<b>STATEMENTS</b>	<b>RATING</b>				
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	I have gained confidence in executing tough tasks for the business					
2.	I have gained courage to tackle any administrative challenge that face my business					
3.	Through social support, I have developed positive attitude in undertaking all critical decisions of the business					
4.	I have gained self-confidence in approaching investors to seek funding for business					
5.	I have been able to create a friendly environment for both my employees and customers					

<b>B. RISK TAKING</b>						
Please indicate the extent to which you agree with the following statement on influence of entrepreneurial social support groups on entrepreneur risk taking initiative						
<b>No.</b>	<b>STATEMENTS</b>	<b>RATING</b>				
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	I have gained the confidence to diversify my business operations					
2.	I have gained courage to apply for bigger loans to support my business					
3.	Am able to try new technologies to support my business					
4.	I have found it useful to accommodate new investors in my business					
5.	I look forward to acquire new skills by enrolling to a technical institution					



<b>C. OPPORTUNITY ORIENTED</b>						
Please indicate the extent to which you agree with the following statement on influence of entrepreneurial social support groups on entrepreneur ability to be opportunity oriented						
<b>No.</b>	<b>STATEMENTS</b>	<b>RATING</b>				
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	I have found it necessary to invite new investors into the business					
2.	I plan to expand my business by opening new branches in different places					
3.	I look forward to applying for government tenders in the counties to support my business					
4.	I plan to use my profits to set up new business in a different sector away from the current one					
5.	I have set funds aside to finance new investment options that may come up in my sector					

<b>D. INNOVATION</b>						
Please indicate the extent to which you agree with the following statement on influence of entrepreneurial social support groups on entrepreneur embracing innovation						
<b>No.</b>	<b>STATEMENTS</b>	<b>RATING</b>				
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	I look forward to funding the improvement of the current services we offer					
2.	I look forward to embracing new ways of doing business in this sector					
3.	I consider introducing new products in a regular business					
4.	I have found positive way into accommodating talent in my business to offer unique services					
5.	I have embraced product research and improvement in service delivery as a way to build competitive edge for my business					

**Thank you very much for your participation**