

**FACTORS AFFECTING WOMEN ENTREPRENEURS' FINANCIAL
PERFORMANCE IN KENYA: A CASE OF NGARA MARKET**

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DECLARATION

This project is my original work and has not been submitted to any other University for examination purpose

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To my wonderful mother, thank you for being there for me. Your unwavering support and selflessness has been my drive to finish this project and source of my inspiration all through. Thank you mother.

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To my sister Kananu, your support throughout has been immense. You offered your moral support through out my project. I can never be able to repay you.

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DEDICATION

To my family my mum, brothers, sisters, niece and for their unwavering support. It is through your support, prayers and selfless assistance that this was possible. I will forever remain indebted to you all.

ABSTRACT

The design of this research was descriptive survey research. The researcher targeted a population of 200 but sample 150 was obtained. A descriptive survey research seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitude, behaviour or values. The data collected was analyzed using inferential statistics. After the data collection, the researcher was pre-processed the data to eliminate unwanted and unusable data which could have been contradictory or ambiguous, developed a coding scheme by creating codes and scales from the responses which then be summarized and analysed using Statistical Package of Social Science (SPSS).

From the findings of the study most women entrepreneurs in the CBD Nairobi are of youthful ages between 26-35 which is the most productive and energetic age group, in this age brackets is when most of the women entrepreneurs start businesses. At this point they have raised some capital from other sources. Another findings is the accessing of credit particularly for starting an enterprise is one of the major constraints affecting women entrepreneurs. Provision of soft loans is the major factor that hinders the women entrepreneurs in running the businesses effectively. They are either illiterate on how to access this financial aid, . Also lack of tangible security is another major blow to the women entrepreneurs in order to have access to any financial aid by the financial institutions who also charge high interest rates hence repayment and running the business at the same time becomes hard.

The study recommends that the financial institutions should set some simple ways of accessing the financial facilities for the women entrepreneurs and give them at reasonable rate to enable them to repay with ease. The body of women entrepreneurs

should carry out major seminars to educate the women on the major issues in running a business to success. They should also advise the when it is necessary to take loan facility and how to go about it.

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ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
BCCI	Bank of Credit and Commerce International
FLO	Fair labelling Organization
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
ILO	International Labour Organization
OECD	Organization for Economic Co-operation and Development
SME	Small and Medium Enterprises
SMEs	Small and Medium Enterprises
UNCTAD	United Nations Conference on Trade and Development

CHAPTER ONE

INTRODUCTION

1.1 Background

Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they account for significant percent of the operators of Small and Medium Enterprises (SMEs) (Josiane, 2006; Kjeldsen and Nielson, 2000). Women entrepreneurs make a substantial contribution to national economies through their participation in start-ups and their growth in small and medium businesses (United Nations, 2006). Their interests and activities in the economic growth and development especially in the area of SMEs have received outstanding interest of researchers.

Global Entrepreneurship Monitor (GEM) (2005) confirmed that women participate in a wide range of entrepreneurial activities across the 37 GEM and their activities in different countries have paid off in form of many newly-established enterprises for job and wealth creation. This notwithstanding, entrepreneurship is usually seen from the perspective of men driven economy (Gelin 2005, Josiane, 2006) due to its complexity, particularly its gender issues, the role of women entrepreneurs has not been properly documented.

While women's entrepreneurship is a central aspect of economic development and public policy concern in most countries, scholarly research about their entrepreneurial activities is comparatively scarce. The role of entrepreneurs as agents in the labour market for creation of employment, wealth creation, poverty alleviation and provision of resources

has helped tremendously to increase the number of women-owned entrepreneurial ventures in the world. The emergence of the private sector as the major participant/player in the industrial development of many countries has also improved women's access in employment opportunities as against when they experienced denial in employment opportunities as wage workers because of their family responsibilities, lack of skills, social and cultural barriers (Josiane, 2006).

To cope with these challenges, the development of self-employment, especially in the area of SMEs became the last resort for them (Thomson, 2009). SMEs contribute more than 50% to Gross Domestic Product (GDP) of most nations both developed and less developed (Oyekanmi, 2004; Uchwukwu, 2004; Ojo, 2006). Its contributions to economic development have been predominantly in the area of job creation, poverty alleviation, environmental vitality, wealth creation and human capital.

The operation of SMEs involves considerable risks, hard work, enormous sacrifice and sincerity of purpose which cut across various obstacles. The risks, challenges and obstacles (Ojo, 2004) perhaps affect women entrepreneurs more than their men counterparts, making their chances of success to be considerably lower than men (Hisrich and Brush, 1986). Considering the various challenges and obstacles facing SMEs particularly in Kenya which include; capital inadequacy, unavailability of the required infrastructures, shortage of manpower to mention but few, someone may quickly conclude that women are usually discouraged from venturing into enterprise

development. But today the story is a different one; women are starting and growing businesses at an unprecedented rate.

In USA, the analysis of gender creative businesses shows that the rate of growth of women -owned businesses is twice that of men and this comprises more than 35% share of all entrepreneurial ventures. They generate over \$2.3 trillion in annual revenue, and employ 18 million individuals (Bartol and Martin, 2006). In Kenya also, women entrepreneurs are considered as an integral part of economic growth. Their businesses contribute jobs, productive and distributive activities required for wealth creation both for family and nation's economies (Soetan, 2007; Okunade, 2007).

Women activities in entrepreneurship and SMEs enable them to effectively combine their productive and reproductive roles because the flexibility in hours of work which permit them to care for their children and also contribute substantially to economic growth (Soetan, 2007). This has made women to be regarded as the central focus of the economic development and public policy concern (Bagby, 2005).

Issues explored by women entrepreneurs as listed in previous studies include their socio-demographic and economic background, the factors that facilitated or inhibited their decisions to become entrepreneurs and their experiences in entrepreneurship (Hisrich, Micheal and Shepherd, 2005). Examining particular issues that affect and confront women in business is therefore very important (Ozar, 2009; Usman, 2008). Consequently, their activities in the economy have received an outstanding interest of researchers. This study came up as a reaction to the research report of Schuttle, Boshoff

and Bennett (2005) which suggested that male entrepreneurs have been extensively studied and the focus should now be shifted to the study of female entrepreneurs. It is upon this premise that this research work emerged.

The studies indicate that uneducated women do not have the knowledge of measurement and basic accounting. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic cession making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolcrance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

High production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas. Information vividly shows that rate of participation of women in business is found to be low when compared with advanced countries of the world. The new economic regime has offered large number of opportunities and challenge to micro

and small enterprises of our economy. As a result of this, micro and small-scale sector has been engulfed by large number of problems (Carter and Cannon, 2009). The present study examines various financial barriers faced by women entrepreneurs in Northern Kenya.

The role of Women Entrepreneurs needs to be considered in the economic development of the nation for various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities. Thus there exists a market failure discriminating against Women possibility to become Women Entrepreneurs and their possibility to become successful Women Entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized.

Women Entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in Women Entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high-technology and manufacturing (Miner and Haunschild, 2005). It is observed that Women Entrepreneur networks are major sources of knowledge about Women Entrepreneurs and they are increasingly recognized as a

valuable tool for its development and competition. Policy makers must foster the networking of associations and encourage co-operation and partnerships among national and international networks and facilitate women Entrepreneurial endeavours by women in the economy (Aldrich, 2007). The challenge of world class competition and the attempts of globalization and Liberalization have tremendously altered the business environment of firms in Kenya. In contributing to the working of any firm in Kenya, be as a policy maker or as a person doing business with a firm in Kenya or as a marketing practitioner or as an academician, it is important to understand how practically the firms have taken measures to combat the onslaught of these financial factors (Ansoff, 2006).

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 2003s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. The

second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do.

Development of the society is directly related with the Income Generation Capacity of its members with agriculture, as the key income generation activity the entrepreneurship on farm and home can directly affect the income of a major chunk of our population. The growth of modernization processes such as industrialization, technical change; urbanization and migration further encourage it.

Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living condition of the poor masses (Prabha Singh, 2009). Kuratka and Richard 2010 in their book on entrepreneurship started that entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some products or services the product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources. The delivery of micro finance to the poor is smooth; effective and less costly if they are organized into SHGs. SHG is promoting micro enterprise through micro-credit intervention. Micro enterprise is an effective instrument of social and economic development.

The micro finance is agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women's participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self-employment or entrepreneur ventures.

Rural women are having human and non-human resources to take up an enterprise need one an innovative mind and motivation. Entrepreneurship is the only solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centred task. Rural women possess abundant resources to take up enterprises. She has the benefit of easy availability of arm and livestock based raw materials and other resources. Hence, she can effectively undertake both the production and processing oriented enterprises.

Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. Good practices that are identified in this way should be disseminated and shared internationally. Improve the factual and analytical underpinnings of our understanding of the role of Women Entrepreneurs in the economy. This requires strengthening the

statistical basis for carrying out gender-related cross-country comparative analyses and longitudinal studies of the impact of important developments and policies, especially over time (Baumol, 2005). Woman Entrepreneur is dependent on both demand side (political and institutional framework, family policy and market sources) and supply side factors (the availability of suitable individuals to occupy Women Entrepreneurial roles). Women Entrepreneurs depend on both the situation of women in society and the role of Women Entrepreneurship in that same society. Both the factors that affect the gender system and the factors that affect Women Entrepreneurship in society are involved (Baum, 2005).

1.2 Statement of the Problem

Self-employment through the provision of micro-finance has been seen in both the developing, and increasingly in the developed, contexts as a potential solution to women's un-employment, low pay and job insecurity. The current huge international interest in micro-finance as a magic bullet to end poverty, reflects awareness of the success of large-scale initiatives in the developing countries.

Most studies, especially those conducted in Asia, indicate various benefits of micro-finance such as restoration of women's confidence and dignity, raising their economic security, involvement in major household decisions, ability to make purchases, decline in domestic violence and more usage of contraceptives (Schuler and Hashemi 1994). Punitha et al (2007) examined the problems and constraints faced by women entrepreneurs in the Pondicherry region.

A sample of 120 females enterprises were personally interviewed during the period June to July 2007 out of which 42 belonged to rural and 78 to urban areas. The major problems faced by rural women entrepreneurs are competition from better quality products and marketing problems. The problems for urban entrepreneurs are, apart from the competition from better quality products, is the difficulty in getting loans. Bliss and Garratt (2010) has examined the working of organization for women in Poland. The paper has examined the various activities performed by these associations to promote women entrepreneurs. Although micro-enterprise support programmes do raise incomes of the poor, only individuals who are at or near the poverty line are positioned to benefit from them.

A study covering six micro finance institutions in the developing world argues that micro enterprise promotion programmes are unlikely to benefit the very poor and that the poorest of the poor might actually be ill served by credit programmes that create debt among persons who can least afford it (Fidler and Webster 2001). The poor have been known to suffer confiscation of their assets, psychological torture due to peer pressure to repay and even extreme cases of suicide, as witnessed by what is commonly referred to as "Grameen Bank Suicides" in Bangladesh. This is because for those who are extremely poor prior to accessing loans, their main focus is on consumption expenditure related to improvements in very basic survival needs such as food, clothing, housing and health care, which, though crucial, are unproductive in terms of raising income.

In exploring on the financial factors affecting women entrepreneurs, this study was investigated how factors like, financial accessibility, record keeping, working capital and budgeting factors affecting women entrepreneurs' financial performance in Ngara market Kenya.

1.3 Objectives of the Study

- i. To assess the effect of poor record keeping challenges on women entrepreneurship in Ngara market Kenya.
- ii. To assess the financial accessibility challenges affecting women entrepreneurs in Ngara market Kenya.
- iii. Establish effect of budgeting on financial factors affecting women entrepreneurship in Ngara market Kenya.
- iv. To establish the effect of working capital management on women entrepreneurs in Ngara market Kenya.

1.4 Importance of the study

This study will be of great importance to women entrepreneurs as it will outline factors affecting women entrepreneurs' financial performance in Ngara market Kenya.

The study will also determine how women's entrepreneurship affects economic growth and development and the impact of women's entrepreneurship in economic development. To the stakeholders, the study will be of importance since it will provide information that can be used to formulate policy.

To academicians and researchers, the study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies.

The financial institutions will come up with products which are tailor made to fit into woman financial needs. In addition through the financial institutions corporate social responsibilities they will factor in woman groups.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

For over two decades, the experience of Kenya in the process of economic development has not been encouraging. This has resulted in low rate of most economic indicators. More importantly, Kenya's over dependence on oil has contributed much to her economic recession. The situation did not improve significantly until late 1980 when macro-economic variables began to rejuvenate as more development variables were injected into the process of her development. The new value systems introduced include inter-industry relationship, restructuring of production and distribution processes, recognition of micro and macro enterprises, a new role assigned to development of entrepreneurship, enhanced international competitive power, economic restructuring, industrial development and employment generation strategies.

The role assigned to entrepreneurship for economic growth and development especially in the developed economies such as USA, Britain, Japan, Canada and others made most developing economies to adjust their developmental concept and plan and see new enterprise development as very vital to their economic problems. Entrepreneurship as the engine of economic growth and wheel that pedal the vehicle of economic development has been recognized for its importance in the area of job creation, revenue generation, poverty alleviation and wealth creation. This concept is now identified as the central element in the theory of economic development (Josiane, 2006) and it makes up the

largest business sector in economies. It has been recognized as the driver of employment and economic growth (Peacock, 2004; Wang, Walker and Redmond, 2006).

Entrepreneurship is important for the support of small and medium enterprises (United Nations, 2006). With an active Small and Medium Enterprises (SMEs) sub- sector in the production process, developed and less developed countries are expected to depend less on large industries to drive their economy towards posterity. This is because economic renewal and growth is expected to be increasingly driven within the vehicle of enterprise creation and the industry clusters.

Entrepreneurship is therefore a process that involves a willingness to rejuvenate market offerings, innovate, risks taking, trying out of new and uncertain products, services, markets and being more proactive than competitors towards exploring new business opportunities (Covin and Slevin, 2007 and Wiklund and Shepherd, 2005). It attracts both men and women who are interested in profitable inter-industry relationship. To ensure adequate development and competitiveness in entrepreneurship, considerable research has examined the participation of both male and female in venturing in business activities, particularly those reported to have personal dreams of entrepreneurship. This category has rapidly joined hands together to achieve success in business and enterprise development (Gelin, 2005).

2.2 Financial Factors Affecting Women Entrepreneurship Development

Several studies around the world have been carried out which throw light on the financial factors affecting women entrepreneurs (Stevenson and Jarillo, 2003). Though the three major stages in the entrepreneurial process of creating, nurturing and nourishing are the same for men and women, there are however, in practice, problems affecting women who are of different dimensions and magnitudes, owing to social and cultural reasons. The gender discrimination that often prevails at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering the mainstream.

A study (Cooper, as quoted in Das, 2000) of women entrepreneurs in the western world, proposed that three factors influence entrepreneurship - antecedent influences (i.e., background factors such as working capital s and genetic factors that affect motivation, skills and knowledge), the "incubator organization" (i.e., the nature of the organization where the entrepreneur was employed just prior to starting a business; the skills learned there) and environmental factors (e.g., economic conditions, access to venture capital and support services, role models). Research from the rest of the world indicates that women and men differ on some of the above factors. While several of these financial factors are inherent to many countries, some of them are more severe in Kenya (Barrett and Weinstein, 2006).

2.2.1 Access to finance

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers.

In Kenya, women are almost invisible to formal financial institutions they receive less than 10 per cent of commercial credits (MahbubulHaq human Development Center, 2000). When women do have access to credit it is often in small amounts, whether this suits their needs or not.

Entrepreneurs usually require financial assistance of some kind to launch their ventures be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 2008). The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 2008,) The financial institutions discourage women entrepreneurs on

the belief that they can at any time leave their business and become housewives again . Differential access to credit may of course be a reflection of differences in the choice of sector, educational level or the amount of loan requested.

However, as sector choice and educational levels tend to be limited or influenced by gender, one could say that any differential access based on this motive is indirectly caused by gender perceptions. In addition to this, women entrepreneurs in developing countries continue to suffer from poor overall assets, poor enforcement of financial rights and the existence of unequal inheritance rights and consequently poor access to community and social resources. Gender-based obstacles - conventional thinking, cultural and social values, lack of collateral - all aggravate the difficulties affecting women. High transaction costs, the rigidity of collateral requirements and heavy paperwork are further impediments to women entrepreneurs (Stevenson and Jarillo, 2003).

Kenyan women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations (Stevenson and Jarillo, 2003). Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the

intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.

2.2.2 Poor record keeping

The ability to tap into new record innovation methods requires expertise, knowledge and contacts. Women in Kenya are faced many problems to get ahead their life in business. A few problems can be detailed as. The greatest deterrent to women entrepreneurs is that they are women. Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan. Moreover, bank managers are often more reluctant to lend to women than to men.

Sometimes, credit may be available for women through several schemes but there are bottlenecks and gaps, and the multiplicity of schemes is often not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are sometimes not made aware of the best option for their requirements. A general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions. Those who do venture out often find that transaction costs for accessing credit are high, and cannot be met by the cash available to them. Because of this, they are dependent on the family members for surety or collateral and hence restrict the money they borrow. This results in lower investments. Alternately they tend to find working capital at higher rates of interest. The availability of finance and other facilities,

such as industrial sheds and land for women entrepreneurs are often constrained by restrictions that do not account for practical realities. All these in turn affect the enterprise and its survival (Hannan and Freeman, 1989).

2.2.3 Lack of budgeting

Women in business are a recent phenomenon in Kenya. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors, which encourage women to have an independent budgetary occupation and stands.

A sense towards independent budget decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence .Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them. Women have limited access to vocational and technical training in Kenya. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. Kenya is characterized by low enrolment among women in education, high drop out rates and poor quality of education (Morris, 2006).

2.2.4 Working capital

Government of Kenya has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business.

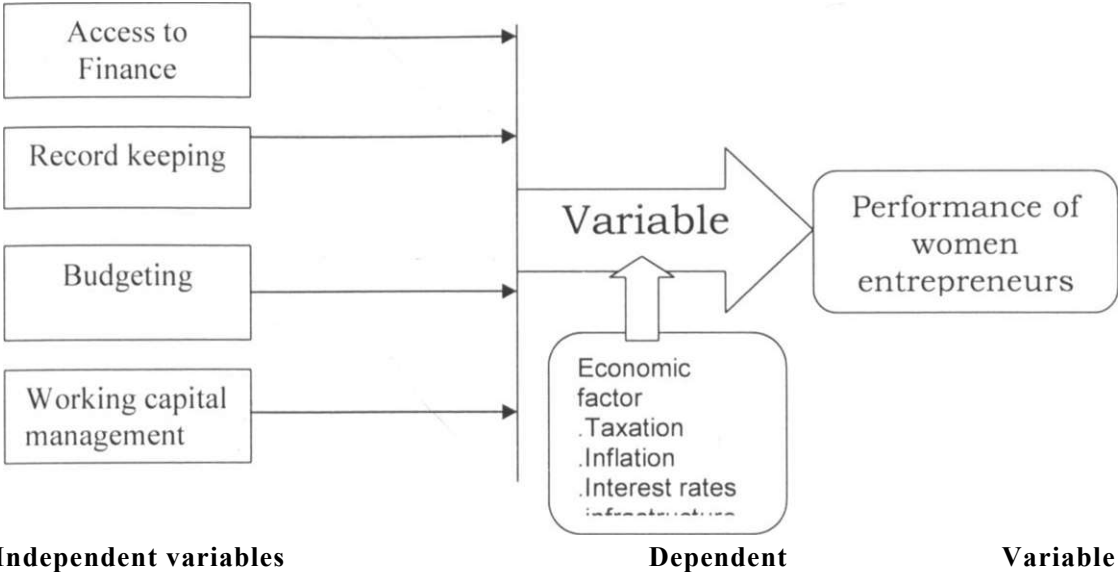
Women owned businesses are largely restricted to micro level of operations even when viewed in the light of the overall facets of the private sector of the country. While access to finance is a challenge common to all Micro and Small Enterprises (MSEs), the challenge for women business owners is compounded by the multifaceted gender related problems that inhibit their ability to access finance, which, even within the MSE sector, is one of the major factors accountable for hindering the emergence and growth of their businesses. Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information.

Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive (Morris and Kuratko, 2009). Even when a woman

does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or subsectors and of women as individuals within any given sector. As an example of this, at a recent SME Trade Fair in a country in Asia where it has been estimated that women operate around half of all SMEs, less than 20 women were registered among the approximately 250 participants, and most of those were civil servants rather than businesswomen (Penrose, 2006).

Women's businesses are not well represented in industry, trade or business associations. Both the leadership and the membership of chambers of commerce, business, traders and industry associations tend to be dominated by men, and few women join or reach leadership positions in the mainstream business organizations. Although partly a reflection of the low number of women entrepreneurs, it means that the different needs of women entrepreneurs do not feed into policymaking through the lobbying and other activities of these organizations. Many specialist organizations of businesswomen often do not counter this situation because their activities tend to be oriented toward charity and social work, in contrast to the business networking and policy lobbying orientation of the "mainstream" but more male-dominated organizations (Phizacklea, 2003).

2.3 Conceptual Framework



Source: Author (2012)

2.4 Theoretical Literature

2.4.1 Underpinning Theory

This research is underpinned on the Entrepreneurship Theory of Shane (2005). The theory consists of opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Others elements of the theory include self-employment, business operation and performance. The theory highlighted four operational measures of performance which are survival, growth, profitability/income, and experiencing initial public offering. Survival refers to continuation of entrepreneurial activity while growth refers to increase in the venture's sales and employment. Profitability refers to new surplus of revenue over cost while experiencing initial public offer refers to the sale of stock to the public (Shane, 2005).

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare. Entrepreneurs' ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2005). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

Changes in business environment such as economic, financial, political, legal, and socio-cultural factors also affect discovery of opportunity. For example, income level of the entrepreneur, capital availability, political stability, laws concerning private enterprise and property rights, and desire for enhanced social status by the entrepreneur could affect discovery of entrepreneurial opportunity. Type of industry also affect opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs (Branan, 2008; Carter & Shaw, 2006; Shane, 2005).

The concentration of industries in a particular location could also influence discovery of entrepreneurial opportunity by those in that location (Shane, 2005). Evaluation of the identified opportunity is another stage in the entrepreneurial process, and appropriate decision at this stage leads to the decision to exploit the opportunity (Shane, 2005). The

decision to exploit the opportunity depends on the intention of the entrepreneur, and the appropriate measure of entrepreneurial decision-making is intention which leads to recognition of entrepreneurial opportunities (Shane, 2005). Exploitation of the opportunity depends on the entrepreneur's level of education, skills or knowledge acquired through work experience, social networks, credit, and cost-benefit analysis of the business (Shane, 2005).

2.5 Empirical Review

Majority of theoretical models on the study of entrepreneurial performance emphasize motivation as one of the key elements in the success of SMEs (Yves, McGraw and Allen, 2010). Evaluating the relationship between the motivational factors that influence women entrepreneurs and their performance in SMEs, certain variables were looked at under this section. These variables include; psychological, economical and social-demographic variables. The choice of these variables is subject to the entrepreneur's view. However, in the entrepreneurship literature, business performance is measured from the economic perspectives in terms of increase in sales volume or turnover, employee strength and profits (Gales and Blackburn, 2003; Chandler and Hanks, 2005).

Due to the nature of women and the circumstances surrounding their entrepreneurial motivation, variables such as business net worth and outcome may be used in measuring their entrepreneurial performance. This was in line with the Bigoness's (2009) argument who reported that women had a stronger preference for jobs that offer opportunity for professional growth to jobs that offer opportunity for higher income.

Looking at the issue of the relationship between women entrepreneurial motivation and their business performance, the work of Stoner and Fry (2002) offered a good insight on this. Their study found out that there is a positive relationship between the reasons why women start business and their business outcomes. In other words, the factor(s) that motivate women into entrepreneurship has/have way(s) of affecting their performance in the business. For instance, the pursuit of financial independence as a factor that influences women into business can positively affect their performance in terms of quantifiable variables such as volumes of production, capacity utilization, growth rates, market share, niche market positions, return on assets, net worth, sales, dividend payouts, share price and profitability.

The measurement of business performance is also subject to the entrepreneurial motivational factors which might be pull or push and intrinsic or extrinsic (Hisrich and Brush, 1986; Ryan and Deci, 2009; Gelin, 2005; Brunstein and Maier, 2005). Although whether the motivation is pull, push, intrinsic or extrinsic inclined; the performance effect can be internally and/or externally measured. For instance, a woman that decided to start her own business because she was not given opportunity in her former place of work to exhibit her leadership potential might measure her business performance in terms of growth in the business' profits and /or personal growth (self satisfaction). Also a woman who started business because of lack of opportunity to advance her career will measure her business performance in terms of the growth she experiences in her business profit and/ or career life. This is in line with Butter and Moore (1985) argument that women

entrepreneurial motivation may be related to the way they measured performance in their own businesses.

2.6 Chapter summary

Many women entrepreneurs have to experience the troubling "assistance" of support agencies. The inability to keep proper records, to separate business operations from personal, manage cash flow and growth is most likely to affect business growth of SMEs. This paper examines the financial barriers of small and micro enterprises owned by women entrepreneurs in Kenya. The major threat on women entrepreneurs is access to finances. Nevertheless, women are also either illiterate on how to access this financial aid. Majority of woman entrepreneurs have a challenge in establish a budget because of their illiteracy. Some training on record keeping is necessary for woman entrepreneurs. Other threats affecting women an entrepreneur includes record keeping and working capital management. With proper training and seminars, this can be collected.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that was followed in completing the study. It involved a blueprint for the collection, measurement and analysis of data. In this section the researcher identified the procedures and techniques which were used in the collection, processing and analysis of data. Specifically the following subsections was included; research design, target population, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

The design of this research was a descriptive survey research. A descriptive survey research seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitude, behaviour or values (Mugenda and Mugenda 2003). A descriptive study design is deemed the best design to fulfill the objectives of the study. Case study research design has the advantage of generating new understandings, explanations and is cheaper than survey and takes less time; it is for this that the study adopted a case study research design. A research design is the general plan of how one goes about answering the research question (Saunders, Lewis and Thornhill, 2000). A descriptive survey research design was used to obtain data.

This design is considered appropriate for the type of objective of this study and the implied comparative analysis to determine the factors affecting women entrepreneurs'

financial performance in Kenya. This research was both explanatory and descriptive. It is explanatory in the sense that the problem is examined with an aim of establishing the casual relationships between variables. On the other hand, it qualifies as descriptive since it sought to portray the phenomenon through describing events, situations and processes.

3.3 Population

Ngechu (2004) defined a population as a well defined or set of people, services, elements, events, group of things or households that are being investigated. The study targeted women entrepreneurs and their representatives at Ngara Market (CBD). Currently the total women entrepreneurs registered at Nairobi Ngara Market branch are 200 women (Central Bureau of Statistics and others, 2011). On women entrepreneur's representatives, the study focused on the section and particularly on the top, middle and lower level management staff officers at their head office at Ngara Market Muranga road, Nairobi. They offered direct operational and registration support systems of the women since they were the ones conversant with information on women entrepreneurs in the Nairobi CBD. The population characteristic is as summarized in the table below. Mugenda and Mugenda, (2003), explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study.

3.4. Sample

Stratified random sampling technique was used to select the sample. The technique produced estimates of overall population parameters with greater precision. The study grouped the population into strata .From each stratum the study used simple random

sampling to select 63 respondents. Since this category of the target population is not that big, the sample size undertook a census of the management team. Mugenda and Mugenda (2003) argue that for a sample to be representative enough, it should be at least 10% of the target population. Cooper and Schindler (2000) state that the sample size is the selected element or subset of the population that is to be studied. To ensure that the sample accurately represents the population, Cooper and Schindler (2000) further recommend that the researcher must clearly define the characteristic of the population, determine the required sample size and choose the best method for selecting members of the sample from the larger population. Using this as a guide, a sample size of 150 respondents was selected.

From the above population of two hundred, a sample of 30% from within each group in proportions that each group bear to the population as a whole was taken using stratified random sample which gave each item in the population an equal probability chance of being selected. The selection was as follows.

3.5 Data Collection

The study made use of questionnaires, data was obtained from managers at the women entrepreneurs and their comprehensive head office in Ngara using questionnaires. The questionnaire contained closed-ended question and also a few open ended. These types of questions were accompanied by a list of possible alternatives from which respondents were required to select the answer that best describes their situation.

The researcher trained two research assistants on all issues pertaining to the data collection procedures and techniques before carrying out the study. A set of 63 questionnaires were issued to none participating staff and participating staff. The two research assistant helped respondents to understand the questions and answer them correctly. Data collection took four days.

The questionnaires were administered using drop and pick method. The questionnaires were used because they allowed the respondents to give their responses in a free environment and helped the researcher get information that would not have been given out had interviews been used. The questionnaire were self-administered to some respondents. The researcher collected data using open ended and closed ended questions in order to assess factors affecting women entrepreneurs' performance in Ngara Market (CBD) of the city of Nairobi. The questionnaire was designed to collect qualitative and quantitative data. Interviews will be conducted using a prepared schedule.

3.6 Data Analysis

The data collected was analyzed using inferential statistics. After the data collection, the researcher pre-processed the data to eliminate unwanted and unusable data which was contradictory or ambiguous, developed a coding scheme by creating codes and scales from the responses which was summarized and analyzed.

The data was then stored in paper and electronic storage and finally the researcher used the Statistical Package of Social Science (SPSS) to analyze the data. The researcher used a probabilistic model to predict the extent to which the identified independent variables

affected the dependent variable. The population regression line is represented by the following equation:

$$Y = p_0 + p_1x_1 + p_2x_2 + p_3x_3 + p_4x_4 + \epsilon$$

Where;

Y = women entrepreneurs' performance

x_1 = Access to finance

x_2 = Budgeting

x_3 = Working capital

x_4 = record keeping

ϵ = error variable

Table 3.3 Operational definition of variables

Type of Variable	Indicators	Tools of Analysis	Type of Statistics
Financial Accessibility	Provision of soft loans to Accessing credit lack of collateral lack access to external funds Gender-based obstacles - conventional thinking, cultural and social values information on the cost lack of awareness of existing credit schemes	Mean, Percentage, mode,	Descriptive

	high interest rates vigorous procedures for loan applications		
Record Keeping	training on record keeping low-level management skills, lack of experience and exposure	Mean, Percentage, , mode,	Descriptive
Budgeting	engaged in business due to economic factors Inventory costing family compulsion and the responsibility limited access to technical training Lack of information	Mean, Percentage, mode,	Descriptive
Working Capital Management	High production cost Reduction of tax for small and micro enterprises Women have fewer business contact less knowledge governmental Bureaucracy less bargaining power Maintaining the operations and ploughing back	Mean, Percentage, mode	Descriptive

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on factors affecting women entrepreneurs' performance in the Ngara Market (CBD) of the city of Nairobi. The research sought to answer the following research questions; what is financial accessibility challenges affecting women entrepreneurs' performance in the Ngara Market? What are the effects of record keeping on women entrepreneurs' performance in the Ngara Market (CBD) of the city of Nairobi? Does poor budgeting have an effect on financial factor affecting women entrepreneurship in the Ngara Market (CBD) of the city of Nairobi? What is the effect of working capital management on women entrepreneurs in the Ngara Market (CBD) of the city of Nairobi?

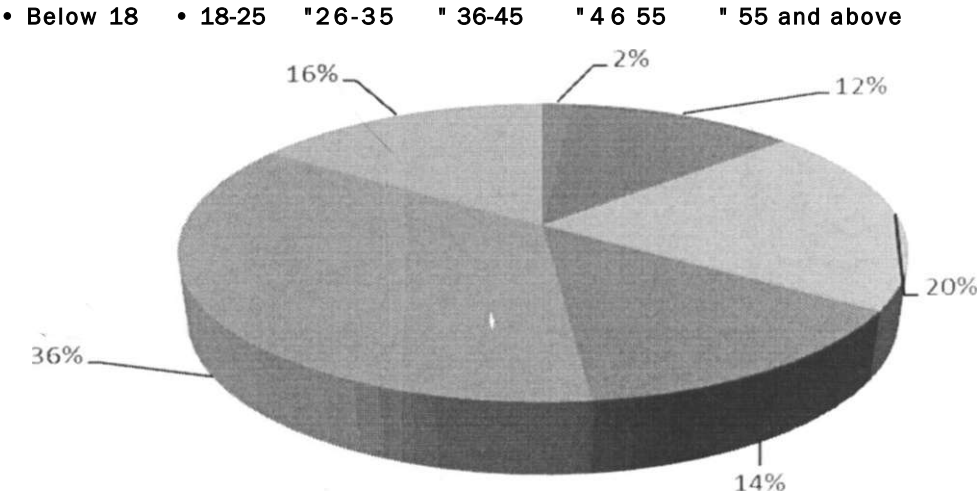
The study targeted 63 respondents, 26 from the participating staff and 37 from Non-participating staff of whom all the respondents filled and returned the questionnaires. This response rates were sufficient and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was due to extra efforts that were made via personal calls and visits to remind the respondent to fill-in and return the questionnaires. The chapter covers the demographic information, and the findings are based on the objectives.

4.2 Demographic Information

4.2.1: Age category

The study sought to enquire the age of the respondents. The findings are indicated in the figure below

Fig 4.1: Age category



The figure above indicate that 36% of the respondents were of an age category 46-55, 20% were aged between26-35, 16% of the respondents were of an age category of 55 and above. 12% were of age category 18-25, followed by those aged below 18 with only 2%. These findings deduce that most of women entrepreneurs in the CBD Nairobi are of an age category 46-55 which shows that they have been entrepreneurs for long period of time.

4.2.2 Age of the respondent at the start of the business

The study sought to find the age of the respondents at the start of her business. The findings are indicated in the table 4.1 below

Table 4.1 Age at the start of the business

Age category	Frequency	Percent
Below 18	1	1.59
18-25	7	11.11
26-35	30	47.62
36-45	9	14.29
46-55	14	22.22
55 and above	2	3.17
Total	63	100.00

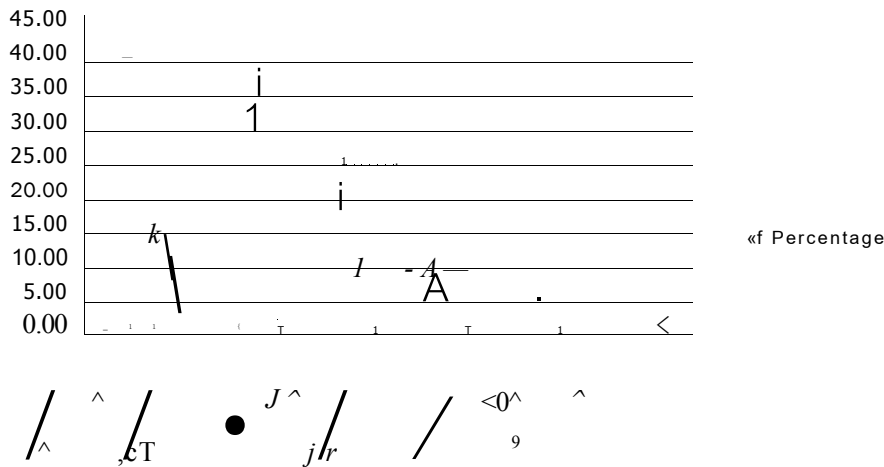
From the table, 47.62% of the respondents started their business when they were at an age category of 26-35. 22.22% started their business when they were at an age of 46-55. 14.29% started their business when they were at an age of 36-45. 1.59% of the respondents started business when she was at an age of below 18. From these findings, it is noted that most of the women entrepreneurs in the Nairobi CBD started their business when they were at an age category of 26-35 whereby at this age they have saved enough to raise capital for a business.

4.2.3 Level of education

The study sought to enquire the level of education of women respondents Nairobi CBD.

The findings are indicated in the figure below.

Fig 4.2 Distribution for Level of education



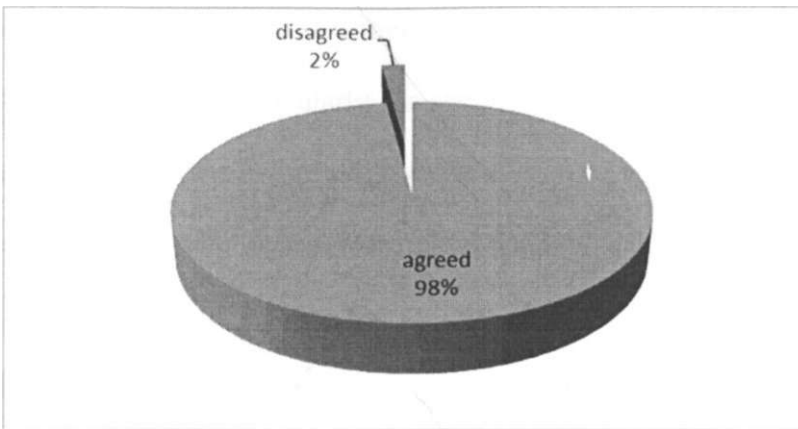
From the findings, 44.44% of the respondents had secondary education. 25.40% had diploma education. 17.46% had primary school education, 7.94% had bachelor degree and 3.17%) had master degree while only 1.59% had PhD. This is an indication that most of the women entrepreneurs turn to business when they fail to continue with education to a diploma or degree level.

4.3 Factors Affecting Women Entrepreneurs' Performance In Kenya

4.3.1 Any challenges faced in business

The study sought to find the challenges faced by women entrepreneurs in the Ngara Market of Nairobi.

Fig 4.3: Challenges Faced in Business



From the findings, 98% of the respondents agreed that they faced a lot of challenges while only 2% disagreed that there are challenges in the entrepreneurship. This indicates that there are many challenges facing women entrepreneurship that needs to be addressed.

Table 4.2 Financial Accessibility

Factor	Mean	SI)
Provision of soft loans to entrepreneurs	4.0	0.8213
Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs	4.1	0.9325
lack of collateral	3.0	0.3921
women entrepreneurs lack access to external funds due to their inability to provide tangible security	3.8	0.6342
Gender-based obstacles - conventional thinking, cultural and social values	2.3	0.8987
heavy paperwork are further impediments to women entrepreneurs	2.4	0.9568
Lack of information on the cost of obtaining such services	3.6	0.5963
lack of awareness of existing credit schemes	3.6	0.5963
high interest rates	3.5	0.5021
lengthy and vigorous procedures for loan applications	3.2	0.4236

From the study Findings in table above majority of the respondents were of the opinions that the above factors affects their entrepreneurs to high extent as shown by the means 4.1 Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs, 4.0 Provision of soft loans to entrepreneurs, 3.8 women entrepreneurs lack access to external funds due to their inability to provide tangible security. Lack of information on the cost of obtaining such services and lack of awareness of existing credit scheme had mean of 3.6, high interest rates had a mean of 3.5.

The respondents also had a feeling that lengthy and vigorous procedures for loan applications was to some extent a factor affecting their entrepreneurs with a mean of 3.2 and lack of collateral with a mean of 3.0. However, they also had a feeling that 'to a small extent' heavy paperwork is further impediments to women entrepreneurs with a mean of 2.4 and Gender-based obstacles - conventional thinking, cultural and social values with a mean of 2.3 were also factors affecting their entrepreneurship. The study therefore concludes that the major factor affecting women entrepreneurs' performance in the Ngara Market (CBD) of the city of Nairobi are; Accessing credit , particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs with mean of 4.1 and Provision of soft loans to entrepreneurs with a mean of 4.0 while the least factors were; heavy paperwork are further impediments to women entrepreneurs with a mean of 2.4 and Gender-based obstacles - conventional thinking, cultural and social values with a mean of 2.3. This also shows that if many of the women had access to financial aid there would be many entrepreneurs.

4.3.3 Record Keeping

The study sought to find out whether the Nairobi CBD women entrepreneur practiced record keeping for their businesses.

Table 4.3 Record Keeping

	Mean	SD
Establishment of more training institutions teaching entrepreneur on record keeping by the government	2.5	0.9867
Women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business	2.3	0.7939
Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan	3.9	0.962
A general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions	4.4	0.2252

From the findings, the respondents were of the opinion that, to a "very high extent" a general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions with a mean of 4.4, which is of high extent. In particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan with a mean of 3.9, also the respondents were of the opinion that "to some extent" Establishment of more training institutions teaching entrepreneur on record keeping by the government with a mean of 2.5 and Women entrepreneurs have low-level management skills.

They have to depend on office staffs and intermediaries, to get things done, especially; the marketing and sales sides of business were also factors that contributed failure of having proper record keeping in their entrepreneurs. The study therefore advocates for women education through seminars to help them keep proper record which will be showing proper figures for business operation, also to help them assess the business margins and mark-up to weigh the rate of business returns. This intern helps in stabilization and forecasting for the present and future of the entrepreneur in an independent mind

4.3.4 Budgeting

The research sought to find the factors involved or that limits their budgeting for the entrepreneurs.

Table 4.4 Budgeting

Factor	Mean	sd
Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands.	4.3	0.0321
Women engaged in business activities due to family compulsion and the responsibility	4.1	0.9835
Women have limited access to vocational and technical training in Kenya	2.2	0.04893
Kenya is characterized by low enrolment among women in education, high drop out rates and poor quality of education	3.0	0.1297
Lack of information on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs	3.8	0.5635
Inventory costing	4.3	0.0321

From the findings, to a "very high extent" Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands and Inventory costing with a mean of 4.3 respectively. The respondents were also of the opinion that to a "high extent" Lack of information on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs as shown by a mean of 3.8. However, he respondents were also of the opinion that "to small extent" Kenya is characterized by low enrolment among women in education, high dropout rates and poor quality of education as indicated with a mean of 3.0 and Women have limited access to vocational and technical training in Kenya as shown by a mean of 2.2 in the table above. The research finds that failure to budget for the women entrepreneurs is majorly due to lack of enough funds for inventory.

4.3.4 Working Capital Management

The study also sought to establish the ways in which the women entrepreneurs in Nairobi CBD work out their capital management.

Table 4.5 Working Capital Management

	mean	sd
High production cost of some business operations adversely affects the development of women entrepreneurs	4.6	0.2651
Reduction of tax for small and micro enterprises	3.9	1.7891
Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information	4.1	0.8995
Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth	3.4	0.4821
maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence	4.2	0.9684

From the research, the respondents were of the opinion to a "very high extent" with a mean of 4.6 that, High production cost of some business operations adversely affects the development of women entrepreneurs, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence with a mean 4.2 and Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information with a mean of 4.1. Nevertheless, the respondent were also of the opinion that some factors affected their entrepreneurs at a "high extent"

with a mean of 3.9, Reduction of tax for small and micro enterprises was a major factor and Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth with a mean of 3.4 as indicated in the table above. From the above information, it shows that the high cost of running the entrepreneurs is a big threat to the women development due to lack of adequate capital. On the other hand lack of information on how to access funds to boost the business also is a major factor.

4.4 Other factors affecting women entrepreneurs' performance

4.4.1 Lack of Entrepreneurship, Training and Education

Entrepreneurship training and education acts as a facilitator for entrepreneurial activities, with the main focus on stimulating entrepreneurial activity and performance. The importance of entrepreneurship education and training is well established. From an economic perspective, education is seen as a critical factor in promoting long term employment and economic growth.

4.4.2 Access to appropriate technology

Because of changes in the political climate, women entrepreneurs necessarily have to steal a march on competitors by upgrading and improving technology to meet the challenge of change. Successful entrepreneurs will have to be technology oriented and willing to adapt to a changing environment. In a changing environment, innovation is a key survival strategy.

4.4.3 Access to Markets

Access to markets contributes significantly to the survival of an enterprise. It is a critical component of a competitive economy. The government has an important role to play by ensuring that a conducive regulatory environment prevails for entrepreneurs.

4.4.4 Mismanagement of Resources

It is common practice in businesses for managers or owners to reward themselves with huge amounts of money before realizing the prospects of the business. This aspect is prevalent especially in young enterprises. It is the responsibility of business owners and managers to avoid using assets of the business for personal use at the expense of the business.

4.4.5 Lack of management skills

One of the most significant reasons for the failure of SMMEs is their inadequate application of essential business and management practices. Therefore training for small business owners/managers as well as their subordinates allows them to acquire the necessary skills to ensure the survival and success of their business.

4.4.6 Fraud/white collar crime

Given the important socio economic role performed by small, medium and micro enterprises, it is important to look at negative consequences of fraud on their businesses. Despite their important contribution to the socio economic development of Kenya, many

SMMEs are exposed to the high cost of the fraud wave currently engulfing women entrepreneur.

4.5 Regression Analysis

Table 4.6 Distribution of Statistical Summary of Variables

	N	Min.	Max.	Mean	Std. Dvn
Access to Finance	63	2.3	4.4	3.063	.6875
Record keeping	63	2.60	5.00	4.1100	.63722
Budgeting	63	2.00	4.20	2.7650	.62081
Working Capital	63	2.50	3.67	3.2708	.33903

Source: Survey Data (2012)

The results of descriptive statistical analysis for the factors affecting women entrepreneurs' performance are presented in the table above. This measurement scale consisted of 4 items Access to finance, Record Keeping, Budgeting and Working Capital Management. Respondents were asked to provide answers on each item that was measured by a five point Likert scale ranging from 1 being strongly disagree to 5 being strongly agree. Based on the mean score of each item, respondents tended to access to finance (M=3.063, SD=.6875), and record keeping (M=4.1100, SD=.63722), and that budgeting (M=2.7650, SD=.62081), and working capital (M=3.2708, SD= 33903)

Table 4.7 Distribution of Correlation of Variables Correlation

		Access to Finance	Record keeping	Budgeting	Working Capital	
Pearson Correlation	Performance	1.000				
	Access to Finance	.753	1.000			
	Record Keeping	.776	.672	1.000		
	Budgeting	-.695	-.741	-.356	1.000	
	Working Capital Management	.704	-.058	.774	-.583	

Source: Survey Data (2012)

The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. The Correlation matrix is used to determine the extent to which changes in the value of an attribute (such as access to finance) is associated with changes in another attribute (budgeting). The data for a correlation analysis consists of two input columns. Each column contains values for one of the attributes of interest. When the values are greater than 0.5 then the variables are correlated and when values are less than -0.5 then the values for are not correlated. The table 4.12 shows that there is high positive correlation

of performance against access to finance, record keeping, budgeting and working capital management.

Table 4.8: Analysis of Variance Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.918(a)	.843	.805	.51038	.843	1.242	4	67	.001

Source: Researcher 2012

Predictors: (Constant), Access to finance, record keeping, budgeting and working capital management

Dependent Variable: Performance

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.412	4	4.103	5.342	.001 ^a
	Residual	51.463	67	.768		
	Total	67.875	71			

a. Predictors: (Constant), Access to finance, record keeping, budgeting and working capital management

b. Dependent Variable: Performance

The summary of the basic logic of ANOVA is the discussion of the purpose and analysis of the variance. The purpose of the analysis of the variance is to test differences in means

(for groups or variables) for statistical significance. The accomplishment is through analyzing the variance, which is by partitioning the total variance into the component that is due to true random error and the components that are due to differences between means. The ANOVA analysis is intended to investigate whether the variation in the independent variables explain the observed variance in the outcome in this study the outcome Level of performance.

The coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables) R^2 equals 0.843, that is, Access to finance, record keeping, budgeting and working capital management only 15.7 percent unexplained. The P- value of 0.001 (Less than 0.05) implies that the model of performance is significant at the 95% confidence level.

The ANOVA results indicate that the independent variables significantly ($F=5.342$, $p=0.001$) explain the variance in the firm performance. In this context, as have been presented in the table above, the dependent variable is the level of acceptance of firm performance while the independent or the predictors are Access to finance, record keeping, budgeting and working capital management.

Table 4.9 Distribution of Coefficients

Coefficients³

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.255	.133		4.870	.001
Access to finance	.131	.131	.041	.335	.000
Record Keeping	.170	.167	.161	.666	.000
Budgeting	.051	.006	-.643	.256	.000
Working Capital Management	.048	.006	-.165	.332	.001

a. Dependent Variable: Performance

These are the values for the regression equation for predicting the dependent variable from the independent variable. The regression equation is presented below.

Regression equation:

$$Y = 0.255 + 0.131X_1 + 0.170X_2 + 0.051X_3 + 0.048X_4$$

Y= Performance

X₁ = Access to finance

X₂= Record Keeping

X₃ = Budgeting

X₄ Working Capital Management

a= constant

P=coefficient

c= error term

Where

Constant = 0.255, shows that if Access to finance, record keeping, budgeting and working capital management all rated as zero, Performance would be 0.255

X₁= 0.131, shows that one unit access to finance results in 0.131 units increase in Performance

X₂= 0.170, shows that one unit change record keeping results in 0.170 units increase in Performance

X₃= 0.051, shows that one unit change in budgeting results in 0.051 units increase in Performance

X₄= 0.048, shows that one unit change in working capital management results in 0.048 units increase in Performance

4.5 Summary Interpretation of Findings

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. In Kenya, women are almost invisible to formal financial institutions they receive less than 10 per cent of commercial credits (MahbubulHaq human Development Center, 2000). When women do have access to credit it is often in small amounts, whether this suits their needs or not.

In poor rural communities with few opportunities to borrow money (Starcher, 2008). The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 2008,) The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again . Differential access to credit may of course be a reflection of differences in the choice of sector, educational level or the amount of loan requested.

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From the study findings majority of the respondents were of the opinions that the above factors affects their entrepreneurs to high extent as shown by the means 4.1 Accessing credit, particularly for starting an enteiprise, is one of the major constraints affecting women entrepreneurs, 4.0 Provision of soft loans to entrepreneurs, 3.8 women entrepreneurs lack access to external funds due to their inability to provide tangible security. Lack of information on the cost of obtaining such services and lack of awareness of existing credit scheme had mean of 3.6, high interest rates had a mean of

The ability to tap into new record innovation methods requires expertise, knowledge and contacts. Women in Kenya are faced many problems to get ahead their life in business.

Sometimes, credit may be available for women through several schemes but there are bottlenecks and gaps, and the multiplicity of schemes is often not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are sometimes not made aware of the best option for their requirements. A general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions.

From the findings, the respondents were of the opinion that, to a "very high extent" a general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions with a mean of 4.4, which is of high extent.. The study therefore advocates for women education through seminars to help them keep proper record which will be showing proper figures for business operation, also to help them assess the business margins and mark-up to weigh the rate of business returns. This intern helps in stabilization and forecasting for the present and future of the entrepreneur in an independent mind.

Women in business are a recent phenomenon in Kenya. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors, which encourage women to have an independent budgetary occupation and stands.

A sense towards independent budget decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence .Under the influence of these factors the

women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such situation is described as pull factors

From the findings, to a "very high extent" Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands and Inventory costing with a mean of 4.3 respectively. The respondents were also of the opinion that to a "high extent" Lack of information on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs as shown by a mean of 3.8. However, he respondents were also of the opinion that "to small extent" Kenya is characterized by low enrolment among women in education, high dropout rates and poor quality of education as indicated with a mean of 3.0 and Women have limited access to vocational and technical training in Kenya as shown by a mean of 2.2

Government of Kenya has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business.

Women owned businesses are largely restricted to micro level of operations even when viewed in the light of the overall facets of the private sector of the country.

From the research, the respondents were of the opinion to a "very high 6x16111" with a mean of 4.6 that, High production cost of some business operations adversely affects the development of women entrepreneurs, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence with a mean 4.2 and Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information with a mean of 4.1. Nevertheless, the respondent were also of the opinion that some factors affected their entrepreneurs at a "high extent" with a mean of 3.9, Reduction of tax for small and micro enterprises was a major factor and Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth with a mean of 3.4. From the above information, it shows that the high cost of running the entrepreneurs is a big threat to the women development due to lack of adequate capital. On the other hand lack of information on how to access funds to boost the business also is a major factor.

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND
RECOMMENDATIONS

5.1 Summary

The contextual factors that affect women entrepreneurs' performance in the Ngara Market (CBD) of the city of Nairobi are highly supported by the major factors in relation to Financial Accessibility, Record Keeping, Budgeting and Working Capital Management. From the Findings most of women entrepreneurs in the CBD Nairobi are of youthful ages between 26-35 which is the most productive and energetic age group. In the same age brackets is when most of the women entrepreneurs start businesses. At this point they have raised some capital from other sources.

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In other cases most of the women entrepreneurs turn to business after pursuing the secondary education certificates. Here they have some basics on how to run a business. According to the research, an indication that there are many challenges facing women entrepreneurship that needs to be addressed. This has been indicated by the tremendous positive responses that almost all the entrepreneurs faces many challenges.

Discussion of findings is given below.

Accessing to credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs and Provision of soft loans is the major factor that hinders the women entrepreneurs in running the businesses effectively. They are either illiterate on how to access this financial aid, or the process is cumbersome or involves a lot of paper work and then the process takes too long before it goes through. Also lack of

tangible security is another major blow to the women entrepreneurs in order to have access to any financial aid by the financial institutions who also charge high interest rates hence repayment and running the business at the same time becomes hard.

The research finds out that Lack of experience and exposure also restricts women from venturing out and dealing with banking institutions or exposure to paper work is a great drawback for women who would like to run and keep records for the business. Most of the women entrepreneurs depend on a second party to get things done especially in marketing and sales departments. The study therefore advocates for women education through seminars to help them keep proper record which shows proper well business operation, also to help them assess the business margins and mark-up to weigh the rate of business returns on their own. This intern will helps them in stabilization and forecasting for the present and future of the entrepreneur in an independent mind.

The research finds that failure to budget for the women entrepreneurs is majorly due to lack of enough funds for inventory. Lack of information on who is offering what and the cost of obtaining such services limit them and high inventory costing are some of the major drawbacks for success in women entrepreneurship.

The study shows that the high cost of running the entrepreneurs is a big threat to the women development due to lack of adequate capital. On the other hand lack of information on how to access funds to boost the business also is a major factor.

5.2 Conclusions

The major threat on women entrepreneurs is access to finances. The financial institutions should have an easier and faster method of issuing these facilities or making it easier to access without delaying if you have all the requirements. Nevertheless, women are also either illiterate on how to access this financial aid, or the process is cumbersome or involves a lot of paper work and then the process takes too long before it goes through and lack of tangible security is another major blow to the women entrepreneurs in order to have access to any financial aid by the financial institutions who also charge high interest rates hence repayment and running the business at the same time becomes hard.

Most of the women entrepreneurs depend on second party opinions to get things done especially in marketing and sales departments. Therefore, advocating for women education through seminars would enlighten most of those whose are not familiar with record keeping.

Lack of information on who is offering what and the cost of obtaining such services limit them and high inventory costing are some of the major drawbacks for success in women entrepreneurship.

The high cost of running the entrepreneurs is a big threat to the women development due to lack of adequate capital and on the other hand lack of information on how to access funds to boost the business also is a major threat.

5.3 Policy Recommendations

The researcher recommends that's that the government introduce affirmative action, by setting policies that encourages more woman entrepreneurial initiatives. The banks should introduce woman tailored products to suits their entrepreneurial needs.

5.4 Limitations of the study

The researcher had a problem of getting a bigger sample from the target population. Most women delegated their businesses to family members who sometimes happen to be men. This misleads the researcher to believe that the business is owned by men.

Collection of data was not easy since most woman entrepreneurs were out sourcing stock for their business, this made the researcher visit the study area frequently hence consuming most of his research time. Some women were semi-literate and were not willing to cooperate with the researcher.

The researcher had a limited time to conduct the research, as most women were out sourcing for their stock. The researcher took a lot of time trying to explain the importance of the study to those respondents who did not understand the importance of the study.

5.5 Suggestion for further Research

The researcher recommends future researchers on this topic to conduct personal interviews instead of questionnaires. This they will be able to explain to illiterate woman, what exactly they are doing to enable the respondents give out correct information.

The researcher also recommends further research by targeting high profile woman entrepreneurs who are knowledgeable in the field of study.

The researcher recommends the use of a bigger target population in relations to further studies and to confirm if the results attained are similar to the one of this study.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Gitari Caroline Gatakaa

P.O BOX 24654, 00100

NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR YOUR PARTICIPATION

I am a student at the University of Nairobi pursuing a MBA. As part of my coursework, I am required to carry out and submit a research project report on factors affecting women entrepreneurs' performance in Kenya in Nairobi.

To achieve this objective, I kindly request for your assistance in completing the attached copy questionnaire. With your honest answers, the interested stakeholders will have the right information to plan the way forward. You are hereby guaranteed that the information you give will be treated with utter confidentiality a copy would be available at the University of Nairobi Library.

Yours faithfully,

Gitari Caroline Gatakaa

APPENDIX 2: WOMEN ENTREPRENEURS QUESTIONNAIRE

This set of questions is intended to get the financial factors affecting women entrepreneurs in the CBD. With your honest answers, the interested stakeholders will have the right information to plan the way forward. You are hereby guaranteed that the information you give will be treated with utter confidentiality.

Section A: profile of the respondents

1. What is the name of your business (optional?)

2. What is your Age Category?

Below 18

18-25

26-35

36-45

46-55

55 and above

3. Your age when you started this business:

below 18

18-25

26-35

36-45

46-55

55 and above

4. What Educational background do you have?

Primary school

Secondary School

Diploma or less

Bachelor Degree

Master Degree

PH.D Degree

SECTION B: FACTORS AFFECTING WOMEN ENTREPRENEURS' PERFORMANCE IN KENYA

1. Have you been facing any challenges in your business?

Yes No

2. Using a Likert 1-5 scale, with 1 being 'to no extent at all', 2 being 'to a small extent' 3 being 'to some extent', 4 being 'to a high extent' and 5 being 'to a very high extent', to what extent were the following factors affecting women entrepreneurs' performance in Ngara Market (CBD) of the city of Nairobi, Kenya? Please tick {/} all as appropriate

Financial Accessibility

Factors Under Consideration	1	2	3	4	5
Provision of soft loans to entrepreneurs					
Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs					
lack of collateral					
women entrepreneurs lack access to external funds due to their inability to provide tangible security					

Factors Under Consideration	1	2	3	4	5
Gender-based obstacles - conventional thinking, cultural and social values					
heavy paperwork are further impediments to women entrepreneurs					
Lack of information on the cost of obtaining such services					
lack of awareness of existing credit schemes					
high interest rates					
lengthy and vigorous procedures for loan applications					

Record Keeping

Factors Under Consideration	1	2	3	4	5
Establishment of more training institutions teaching entrepreneur on record keeping by the government					
Women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business					
Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan					
A general lack of experience and exposure also restricts women					

Factors Under Consideration	1	2	3	4	5
from venturing out and dealing with banking institutions					

Budgeting

Factors Under Consideration	1	2	3	4	5
Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands.					
women engaged in business activities due to family compulsion and the responsibility					
Women have limited access to vocational and technical training in Kenya					
Kenya is characterized by low enrolment among women in education, high drop out rates and poor quality of education					
Lack of information on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs					
Inventory costing					

Working Capital Management

Factors Under Consideration	1	2	3	4	5
High production cost of some business operations					

Factors Under Consideration	1	2	3	4	5
adversely affects the development of women entrepreneurs					
Reduction of tax for small and micro enterprises					
Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information					
Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth.					
maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence					

3. Apart from the ones stated above which other financial challenges have you been facing in your business?

4. Based on your experience and to the best of your knowledge, which additional factors affecting women entrepreneurs' performance in Ngara Market (CBD) of

the city of Nairobi, and yet not covering in this questionnaire? Please list two factor below: