

**FACTORS AFFECTING ENTREPRENEURS' PERFORMANCE IN KENYA: A CASE
OF NAIROBI WOMEN GROUPS IN THE CENTRAL BUSINESS DISTRICT**

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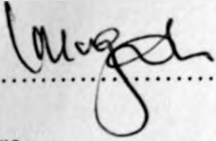
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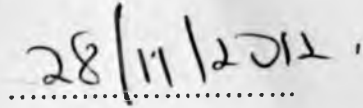
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DECLARATION

This project report is my original work and has not been presented for the award of a degree in this University or any other Institution of higher learning for examination.



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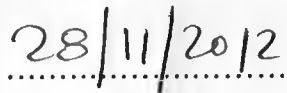
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DEDICATION

This project report is dedicated to my family and all those who supported in the completion of this proposal writing. Thank you and God bless you abundantly.

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It has been an exciting and instructive study period in the University of Nairobi and I feel privileged to have had the opportunity to carry out this study as a demonstration of knowledge gained during the period studied for my Master's of Arts degree. With these acknowledgments, it would be impossible not to remember those who in one way or another, directly or indirectly, played a role in the realization of this research project. Let me, therefore, thank them all equally.

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ABBREVIATIONS AND ACRONYMS

APEC	Asia-Pacific Economic Cooperation
BCCI	Bank of Credit and Commerce International
COWAD	Community Women and Development
FLO	Fair labelling Organization
GDP	Gross Domestic Product
ILO	International Labour Organization
OECD	Organization for Economic Co-operation and Development
SME	Small and medium enterprises
UNCTAD	United Nations Conference on Trade and Development
SMME	Small, Medium and Micro Enterprises
ANOVA	Analysis of Variance

ABSTRACT

The aim of this study was to investigate factors affecting women entrepreneurs' performance in Kenya. Women being the backbone of economies in developing countries and specifically in Kenya, play a significant role to ensure their families' well being. The study sought to determine how women's entrepreneurship affects economic growth and development and the impact on women's entrepreneurship in economic development. The study would benefit stakeholders since it provides information that can be used to formulate policy. The study would be a source of reference material for future researchers on other related topics; it would also help other academicians who undertake the same topic in their studies. The financial institutions would endeavour to offer community service, do business and come up with appropriate products for women in business. The study advocates women education through seminars to help them keep proper record which shows proper business operation, and help them assess the business margins and mark-up to weigh the rate of business returns on their own.

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. 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 could have been contradictory or ambiguous, the researcher, developed a coding scheme by creating codes and scales from the responses which was then summarized and analysed using Statistical Package of Social Science (SPSS).

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Small and medium enterprises (SMEs) are widely recognized the world over for their role in the social, political and economic development. The importance of the sector is particularly apparent in its ability to provide reasonably priced goods, services, income and employment to a number of people (Mullei and Bokea, 1999). According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, a micro enterprise investment where the plant and machinery does not exceed USD Fifty Thousand. A small enterprise is where the investment in plant and machinery is more than USD Fifty Thousand but does not exceed USD one million. A medium enterprise is where the investment in plant and machinery is more than USD 1 million but does not exceed USD 2 million (Cheston & Kuhn, 2009).

In Kenya, women entrepreneurs are considered as an integral part of economic growth (Barrett & Weinstein, 2006). Women who are activates 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 (Barrett & Weinstein, 2006). This has made women to be regarded as the central focus of the economic development and public policy concern (Bonnell & Gold, 2009).

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. (Barrett, 2008).

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 (Miner and Haunschild, 2005). The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India (Ram, 2009).

Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. 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

Women being the backbone of economies in developing countries and specifically in Kenya, play a significant role to ensure their families' well-being (Phizacklea, 2003). Micro-finance presents benefits 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 & Riley, 2010). The major problems faced by women entrepreneurs are competition from better quality products and marketing problems and accessibility to initial capital (Stevenson & Jarillo 2003).

According to a recent study released by the Global Entrepreneurship Monitor (GEM), (2012), an international research consortium which measures entrepreneurial activity of individuals in 59 countries, Pakistani men hold a more positive attitude towards entrepreneurship than their female

counterparts. Similarly, the total early-stage entrepreneurial activity (TEA) rate – which is the sum of the nascent entrepreneurship rate and the new business-manager rate – of male entrepreneurs is more than four times that of the female entrepreneurs. The gender gap in the sub-sahara African countries is significantly higher than countries with comparable economic conditions. Women are as ambitious as men, but they probably have a different set of priorities. Women face greater hurdles in striking the right work-life balance since they have so many more responsibilities vis-a-vis their families,”

In some high-income countries, such as South Korea, Norway, Ireland, the Netherlands and the United Kingdom, men are around twice likely to be entrepreneurially active than women. On the other hand, the study says, a narrower gender gap in entrepreneurship was reported in Australia, Belgium, Italy, Switzerland and the United States. As for attitudes towards entrepreneurship in the entrepreneurially inactive population, the report, (Global Entrepreneurship Monitor (GEM), (2012),) says male respondents were more aware of someone who had started a business in the last two years than their female counterparts. It can be said that men can find a higher number of start-up opportunities and be better equipped with the knowledge to start a new business than women because of their exposure to the business world.

In Kenya, there is lack of appropriate technology available to disabled women entrepreneurs (McCormick and Pedersen, 1996), and also general lack of an entrepreneurial culture in Kenya and, more particularly, for potential and operating women owner/managers of MSEs. Competing financial needs between family and business becomes one of the major constraints to enterprise growth the little income earned from the business is sometimes used for what appears to be urgent family requirements, irrespective of why it was set aside resulting in a reduction of the

capital invested and hence curtails further growth (Alila *et al.*, 2002), In exploring on the financial factors affecting women entrepreneurs, this study has investigated how factors such as; financial accessibility, record keeping, working capital and budgeting affect financial realization of women entrepreneurs in the Central Business District (CBD).

1.3 Objectives of the Study

1.3.1 General Objective

To investigate factors affecting women entrepreneurs' performance in Central Business District (CBD) of the city of Nairobi, Kenya.

1.3.2 Specific Objectives of the Study

The specific objectives of this study will be:

- i. To assess the financial accessibility challenges affecting women entrepreneurs' performance.
- ii. To assess the effect of record keeping challenges on women entrepreneurs' performance.
- iii. To establish effect of budgeting on financial factors affecting women entrepreneurs' performance.
- iv. To establish the effect of working capital management on the women entrepreneurs' performance.

1.4 Research Questions

This study sought to answer the following questions;

- i. What is financial accessibility challenges affecting women entrepreneurs'
- ii. What is the effect of record keepings on women entrepreneurs'
- iii. Does poor budgeting have an effect on financial factor affecting women entrepreneurship

iv. What is the effect of working capital management on women entrepreneurs' performance.

1.5 Significance of the Study

This study is of importance to women entrepreneurs as it had outlined the major financial factors affecting women entrepreneurs in the Central Business District (CBD). The study also determined 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 provided information that can be used to formulate policy. To academicians and researchers, the study was a source of reference material for future researchers on other related topics; it also helped other academicians who undertake the same topic in their studies. The financial institutions endeavoured to offer community service, do business and come up with appropriate products for women in business.

1.6 Scope of the Study

This study focused on the effect of microfinance factors on women entrepreneurs' performance in Nairobi, Central Business District (CBD).

1.7 Limitations of the Study

The study focused on small scale women traders at the Central Bank District(CBD), some traders were not be honest in their responses especially given their levels of education and personal interests. Time and financial constraint may also pose major limitation to be experienced by the researcher. The high expectations of the target group in thought may give skewed information that might lead to derailing the objective of the study, however it had been overcome by the expected concerned female traders readily responded and even to asked more advice on access to microfinance for their businesses.

The study was limited to small scale traders markets in Nairobi. However this was not possible due to time, financial and other logistics constraints.

1.8 Assumptions of the Study

The study assumed that the stated objectives was achieved and CBD represented the country's women entrepreneurs. The study also assumed that the sample population would be a representative of the whole population of female small scale traders in Central Business District(CBD). Finally it also assumed that the research tools would be adequate in collecting valid data for the desired objectives of the research.

1.9 Definitions of Significant Terms

Budgeting: Budgeting in a business sense is the planned allocation of available funds to each department within a company. Budgeting allows executives to control overspending in less productive areas and put more company assets into areas which generate significant income or good public relations. Budgeting is usually handled during meetings with accountants, financial experts and representatives from each department affected by the budgeting (Baumol, W., J. (2005)

Entrepreneurship: Entrepreneurship is the act of being an entrepreneur or "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods". The most obvious form of entrepreneurship is that of starting new businesses (referred as Start-up Company); however, in recent

years, the term has been extended to include social and political forms of entrepreneurial activity (Harrison, R. T. & Mason, C. M. (2007).

Micro-credit:

Programmes that extend informal credit or small loans to low-income people or groups for micro-enterprise development hence an investment not (Brana, S. (2008).

Organizational performance: Organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment); product market performance (sales, market share; and total shareholder return, economic value added.(Chenhall, R. H. & Langfiel-Smith, K. (2007).)

Record keeping:

The practice of maintaining the records of an organization from the time they are created up to their eventual disposal. This may include classifying, storing, securing, and destruction (or in some cases, archival preservation) of records..

Working capital management: It is the relationship between a firm's short-term assets and its short-term liabilities. The goal of working capital management is to ensure that a firm is able to continue its operations and that it has sufficient ability to satisfy both maturing short-term debt and upcoming operational expenses. The management of working capital involves managing inventories, accounts receivable and payable, and cash (Sindhuja, P. N. (2009).

ANOVA

statistical analysis tool that separates the total variability found within a data set into two components: random and systematic factors. The random factors do not have any statistical influence on the given data set, while the systematic factors do. The ANOVA test is used to determine the impact independent variables have on the dependent variable in a regression analysis.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers other scholars work on the factors affecting entrepreneurs' performance in kenya It also discusses theoretical framework, Performance of Women Entrepreneurs in Small Medium Enterprise, Financial Factors Affecting Women Entrepreneurship Development, Accessing Business Finance, Budgeting and conceptual framework variables

After experiencing two decades of poor economic performance, during which per capita income stagnated, Kenyans elected a government that campaigned for fundamental reform of governance. The government pursued policies during 2003–07 that have stimulated private sector investment, promoted growth, and improved the wellbeing of citizens. The Government reoriented its budget to allocate a much larger share of expenditure to priority areas: infrastructure, health and education, agriculture, and rural development. It has also sharply increased the allocation for investment, from 1.9 percent of GDP in financial year 2002/03 to 8.1 percent of GDP in financial year 2007/08, Central Bank of *Kenya* for the Fiscal Year (2010/11). The government is managing its macro economy soundly. 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, World Bank (2000). 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 (Structural Adjustment programme report, 1990)

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 biggest drive of economic growth and great factor of economic development which 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 (Cheston & Kuhn, 2009) and it makes up the largest business sector in economies. It has been recognized as the driver of employment and economic growth (Miner & Haunschild, 2005).

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 (Miner & Haunschild, 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 (Morris, 2006).

According to an ILO study carried out by Stevenson and St-Onge (2005), there are three profiles of women entrepreneurs operating MSEs in Kenya, namely those in Jua Kali micro-enterprises, "very small" micro-enterprises and "small-scale" enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. Substantial business development services are available in Kenya, but may not be accessible to most women entrepreneurs. Lack of information on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs (National MSE Baseline Survey, 1999).

Most common form of MSE support is management, which emphasizes business skills and entrepreneurship, and technical training, which emphasizes technical skills, related to MSEs' line of business (National MSE Baseline Survey, 1999). Other forms of assistance to MSEs include: technical assistance (TA) emphasizing business extension, marketing, bookkeeping, inventory costing, production and choice of appropriate technology. Organizations such as the Kenya Gatsby Trust, The British Council and UNDP, among others, have provided these services. This study did not identify any organizations serving disabled women entrepreneurs with regard to capacity building and management skills.

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and

Wanjiru (1998), the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women.

2.2 Theoretical Framework

This research is supported by the entrepreneurship theory Shane, (2005). The theory consists of opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Other 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 (Aldrich, H., & Kenworthy, L. 1999).

2.2.1 Expectancy Theory

The expectancy theory says that individuals have different sets of goals and can be motivated if they have certain expectations. This theory is about choice, it explains the processes that an individual undergoes to make choices. In organizational behavior study, expectancy theory is a motivation theory first proposed by Victor Vroom of the Yale School of Management. Vroom, hypothesizes that in order for a person to be motivated that effort, performance and motivation must be linked. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. A number of factors can contribute to an employee's expectancy perceptions, the level of confidence in the skills required

for the task, the amount of support that may be expected from superiors and subordinates, the quality of the materials and equipment and the availability of pertinent information.

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, business setting also affect opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs Brana, (2008);. 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).

Appropriate use of acquired resources through good business strategy and organizational design could lead to business performance Koontz & Weihrich, (2006); Again, financial management theorists believe that funds could only be sourced to finance a predetermined project, business or contract (Van Horne, 1980). As such, micro-finance could only lead to business performance when there is the tendency to engage in new business or business expansion Antoncic, (2003). Therefore, this study examines the mediating effect of opportunity for entrepreneurial activity on the relationship between credit and women entrepreneurs' performance because limited studies are available in this area Tata & Prasad, 2008; Shane,(2003). Environment plays greater role in opportunity exploitation than individual attributes (Kuzilwa, 2005).

2.3 Performance of Women Entrepreneurs in Small Medium Enterprise

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, economic 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.

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 factors 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 (Ahuja & Lampert 2010; Ryan and Deci, 2009; Morris, 2006; Brunstein and Maier, 2005). The motivation is pull, push, intrinsic or extrinsic inclined, and the performance effect can be internally and/or externally measured. A woman can 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.

2.4 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. 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 impediment to women entrepreneurs entering the mainstream (McCormick, 1996).

A study (Cooper, as quoted in Das, 2000) of women entrepreneurs in the western world, proposed that three factors influence entrepreneurship antecedent influences such as background factors like working capital and genetic factors that affect motivation, skills and knowledge), the “incubator organization” the nature of the organization where the entrepreneur was employed just prior to starting a business; the skills learned there) and environmental factors 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).

2.5 Accessing Business 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 (Phizacklea, 2003). 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, and 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. 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 (Penrose, 2006).

2.6 Record Keeping by Woman Entrepreneurs

The ability to tap into new record innovation methods requires expertise, knowledge and contacts. Women in Kenya are faced with many problems to get ahead their life in business. 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 (Hannan and Freeman, 1989).

2.7 Budgeting

According to Morris (2006), women in business are a recent phenomenon in Kenya and to a large extent they have confined themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to economic 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. Push factors makes 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, 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 dropout rates and poor quality of education (Morris, 2006).

2.8 Women Source of 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. Unlike male entrepreneurs women entrepreneurs have 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 (Starcher, 2008). 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.

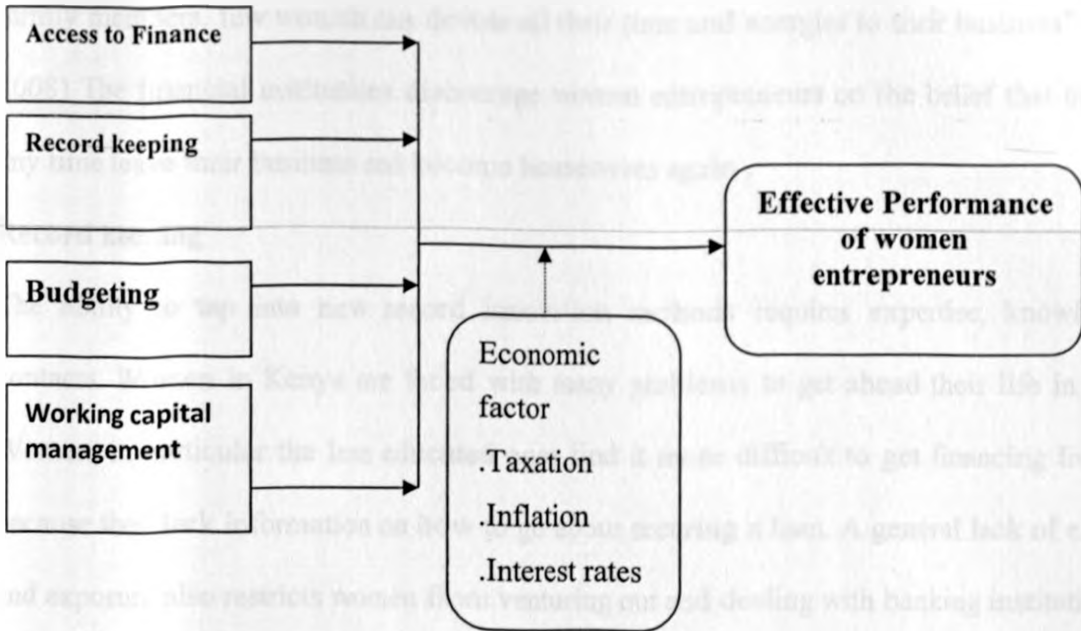
Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive (Morris and Kuratko, 2009). Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There 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).

2.9 Conceptual Framework

Figure 2.1 Conceptual Framework



Independent variables

Moderating Variables

Dependent Variable

Source: Author (2012)

OPERATIONALISATION OF VARIABLES

Access to Finance

Access to finance is a key issue for women. 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.

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 .

Record keeping

The ability to tap into new record innovation methods requires expertise, knowledge and contacts. Women in Kenya are faced with many problems to get ahead their life in business. Women, in particular the less educated ones 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 from venturing out and dealing with banking institutions.

Budgeting

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

Working capital management

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. Unlike male entrepreneurs women

entrepreneurs have many functions. 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.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that are followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. In this section the researcher identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections were 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 (Mugendwa and Mugenda, 2003). A descriptive study design is deemed the best design to fulfill the objectives of the study.

3.3 Target 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. In this study the population of interest were women entrepreneurs and their representatives' heads in the Central Business District (CBD). Currently the total women entrepreneurs registered at Nairobi Central Business District branch stands at 200 (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 offer direct operational and registration support systems of the women since

they are 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.

Table 3.1: Target Population

Sections	Population (Frequency)	Percentage %
Participating Staff	88	44
Non participating staff	122	66
Total	200	100

Source: Researcher, (2012)

3.4. Sampling Procedure

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 was undertaken as 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 characteristics 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 63 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.

Table 3.2: Sample Size

Sections	Population (Frequency)	Sample Ratio	Sample
Participating Staff	88	0.3	26
Non participating staff	122	0.3	37
Total	200	0.3	63

Source: Researcher, 2012

3.5 Research Instruments

The researcher collected data using open ended and closed ended questions in order to assess factors affecting women entrepreneurs' performance in Central Business District (CBD) of the city of Nairobi. The questionnaire was designed to collect qualitative and quantitative data. Interviews were conducted using a prepared schedule (Appendix 2).

3.6 Validity and Reliability of the Instruments

Validity means that the research findings truly represent the phenomenon the study is trying to measure (Mugenda and Mugenda 2003). To ensure validity of the instruments, the research instruments were given to supervisors for validation and the researcher got corrections on them as necessary.

Reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. To ensure reliability of the research instruments, the researcher tested and retested the instruments in different situations and checked the results if they were similar.

3.7 Data Collection Procedure

The study made use of both primary and secondary data. The data was obtained from the women entrepreneurs association or from their representative at their head office in Ngara using questionnaires. The questionnaire contained closed-ended question and also a few open ended. These types of questions was accompanied by a list of possible alternatives from which respondents are 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 was 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 was administered using drop and pick method. The questionnaires was used because they allowed the respondents to give their responses in a free environment and help the researcher get information that would not have been given out had interviews been used. The questionnaire was self-administered to some respondents.

3.8 Data Analysis and Presentation

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 would have been contradictory or ambiguous, developed a coding scheme by creating codes and scales from the responses which was then 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:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \epsilon$$

Where;

Y = women entrepreneurs' performance.– The dependent variable

x_1 = Access to finance – independent variable

x_2 = Budgeting – independent variable

x_3 = Working capital – independent variable

x_4 = record keeping – independent variable

ϵ = error variable which represents all the factors that affects the dependent variable but were not included in the model either because they were difficult to measure or not known.

3.9 Ethical Consideration

Ethics are norms governing human conducts which have a significant impact on women welfare.

It involves making a judgment about right and wrong behaviour. According to Bryman, (2007)

he states that it is the responsibility of the researcher to carefully assess the possibility of harm to research participants, and the extent that it is possible; the possibility of harm should be

minimized. The researcher recognized that the issue under study was sensitive because it involved the core business of the organization. Therefore, there was need to protect the identity of the respondents as much as possible. This means that the questionnaires did not require the respondent's names or details that may reveal their identity.

The researcher also obtain a letter from University of Nairobi allowing to undertake the study and an introductory letter explaining the purpose of the study and confidentiality was upheld for all respondents.

3.10 Operational Definition of Variables

The operational definition of variables influencing implementation of ICT projects variable are given in Table 3.3

Table 3.3: Operational Definition of Variables

Objectives	Type of Variable	Indicators	Measurement Scale	Tools of Analysis	Type of Statistics
To assess the financial accessibility challenges affecting women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi.	Financial Accessibility	Provision of soft loans to entrepreneurs Accessing credit lack of collateral lack access to external funds Gender-based obstacles – conventional thinking, cultural and social values heavy paperwork are further impediments to women entrepreneurs Lack of information	Ordinal	Mean, Percentage, and Mode	Descriptive

		<p>on the cost of obtaining such services</p> <p>lack of awareness of existing credit schemes</p> <p>high interest rates</p> <p>lengthy and vigorous procedures for loan applications</p>			
<p>To assess the effect of record keeping challenges on women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi.</p>	<p>Record Keeping</p>	<p>Establishment of more training institutions teaching entrepreneur on record keeping by the government</p> <p>Women entrepreneurs have low-level management skills.</p> <p>A general lack of experience and exposure</p>	<p>Ratio</p>	<p>Mean, Percentage, and Mode</p>	<p>Descriptive</p>

To establish effect of budgeting on financial factors affecting women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi	Budgeting	Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands. Inventory costing 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 Lack of information	Ratio	Mean, Percentage, and Mode	Descriptive

		on who is offering what and the cost of obtaining such services are some of the limitations faced by these entrepreneurs			
To establish the effect of working capital management on the women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi.	Working Capital Management	High production cost of some business operations Reduction of tax for small and micro enterprises 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	Ratio	Mean, Percentage, and Mode	Descriptive

		operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence			
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CHAPTER FOUR

DATA PRESENTATION, 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 Central Business District (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 Central Business District? What are the effects of record keeping on women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi? Does poor budgeting have an effect on financial factor affecting women entrepreneurship in the Central Business District (CBD) of the city of Nairobi? What is the effect of working capital management on women entrepreneurs in the Central Business District (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 Table 4.1 below.

Table 4.4 Age category

Sections	Population (Frequency)	Percentage %
Below 18	4	2%
18-25	12	12%
26-35	10	16%
36-45	5	22%
46-55	23	36%
Above 55	8	12%
Total	63	100.00%

Source: Researcher, (2012)

The table 4.4 above indicate that 36% of the respondents were of an age category 46-55, 20% were aged between 26-35, 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 4.4 below.

Table4. 5Age 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 4.2 below.

Table 4.6: Distribution for Level of education

Sections	Population (Frequency)	Percentage %
Secondary education	28	44.44%
Diploma	16	25.40%
Bachelor's degree	11	17.46%
Primary education	5	7.94%
Masters	2	3.17%
Phd	1	1.59%
Total	63	100.00%

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 central business district of Nairobi.

Table 4.7: Challenges Faced in Business

Sections	Population (Frequency)	Percentage %
Secondary education	62	98
Diploma	1	2%
Total	63	100%

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 4.8: Financial Accessibility

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

From the study findings in table 4.5 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 Central Business District (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.

4.3.2 Record Keeping

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

Table 4.9: Record Keeping

Statement	Mean	SD
a) Establishment of more training institutions teaching entrepreneur on record keeping by the government	2.5	0.9867
b) 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
c) 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
d) 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 “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 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 in turn helps in stabilization and forecasting for the present and future of the entrepreneur in an independent mind

4.3.3 Budgeting

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

Table 4.10: Budgeting

Factor	Mean	SD
a) Women entrepreneurs engaged in business due to economic factors, which encourage women to have an independent budgetary occupation and stands.	4.3	0.0321
b) Women engaged in business activities due to family compulsion and the responsibility	4.1	0.9835
c) Women have limited access to vocational and technical training in Kenya	2.2	0.04893
d) Kenya is characterized by low enrolment among women in education, high dropout rates and poor quality of education	3.0	0.1297
e) 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
f) 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, the 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 4.11: Working Capital Management

Statement	Mean	SD
a) High production cost of some business operations adversely affects the development of women entrepreneurs	4.6	0.2651
b) Reduction of tax for small and micro enterprises	3.9	1.7891
c) 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
d) 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
e) 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.

4.3.5 Other Factors Affecting Women Entrepreneurs' Performance

4.3.5.1 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.

4.3.5.2 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.

4.3.5.3 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.

4.3.5.4 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.

4.3.5.5 Lack of Managerial 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

4.3.5.6 Fraud

Fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. Obviously, fraud can be perpetrated by persons outside as well as inside an organization. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Table 4.12: Distribution of Statistical Summary of Variables

	N	Min.	Max.	Mean	Std. Deviation
Access to Finance	63	2.3	4.1	3.063	.6875
Record keeping	63	2.60	4.4	4.1100	.63722
Budgeting	63	2.00	4.30	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 4.13: Distribution of Correlation of Variables

The table 4.10 below shows the Distribution of Correlation of Variables.

		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	1.00

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 4.14: 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

Table 4.15: ANOVA Results

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 the variation in variables, the independent variables explain the observed variance of the outcome of the study and 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 4.16: Distribution of Coefficients

Coefficients^a

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

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

$X_1 = 0.131$, shows that one unit access to finance results in 0.131 units increase in Performance

$X_2 = 0.170$, shows that one unit change record keeping results in 0.170 units increase in Performance

$X_3 = 0.051$, shows that one unit change in budgeting results in 0.051 units increase in Performance

$X_4 = 0.048$, shows that one unit change in working capital management results in 0.048 units increase in Performance

CHAPTER FIVE

SUMMARY FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, conclusion of the study and recommendations drawn from the study findings. The chapter is based on the study objectives which were to assess the financial accessibility challenges affecting women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi.

5.2 Summary of Findings

A summary of findings is given in Table 5.1. From the data analysis it was established that 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

In terms of the response rate majority of the respondents were of the opinions that the above factor affects their entrepreneurs to high extent. Majority of the respondents were involved in all the stages of requirements analysis, Systems design, Implementation, training and usage.

The Objectives of the study was to assess the financial accessibility challenges affecting women entrepreneurs' performance in the central business district (CBD) of the city of Nairobi. The study findings found that accessing 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. Project team were found to be committed and achieved their targets and goals in good time to a high extent.

The Objectives of the study was to establish effect of budgeting on financial factors affecting women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi. The study findings found 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 Objectives of the study was to establish the effect of working capital management on the women entrepreneurs' performance in the Central Business District (CBD) of the city of Nairobi. The study findings indicate 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.

5.3 Discussion

The contextual factors that affect women entrepreneurs' performance in the Central Business District (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. 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 entrepreneurs 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.

5.2.1 Financial Accessibility

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.

5.2.2 Record Keeping

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.

5.2.3 Budgeting

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.

5.2.4 Working Capital Management

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.

5.3 Conclusion

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.

5.4 Recommendations of the study

From the findings of the study it was established 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. Majority of the women were of the opinions that the above factor affects their entrepreneurs to high extent. Majority of the respondents were involved in all the stages of requirements analysis, Systems design, Implementation, training and usage.

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 such as Ngara Women group association showed that carrying out major seminars to educate the women on the major issues in running a business to success. This is evident from the findings where majority of the women entrepreneurs have secondary education. They should advise be when is necessary to take loan facility and how to go about it. Courses on book keeping is important

The government should help women entrepreneurs in achieving their goals through provision of education on business matters and also provide business consultants who would be easily accessible whenever they are needed.

The government should stabilise the economic situation in order for large and small business entrepreneurs will fit in the economy.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Lucy Waruguru Mugo

P.O BOX 24654, 00100

NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR YOUR PARTICIPATION IN M.A. RESEARCH PROJECT

I am a student at the University of Nairobi pursuing a Master of Arts degree in Project Planning and Management. 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 CBD.

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,

Lucy Waruguru Mugo

L50/64773/2010

APPENDIX II: 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

If yes, explain

.....

.....

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 Central Business District (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					
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 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					

Factors Under Consideration	1	2	3	4	5
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 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,					

Factors Under Consideration	1	2	3	4	5
courage and confidence					

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

.....

4. What other additional factors affects women entrepreneurs' performance in Central Business District (CBD) of the city of Nairobi, and yet not covered in this questionnaire?

Please list two factor below:

.....

THANK YOU

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