

**ENTREPRENEURSHIP, INNOVATION AND GROWTH OF WOMEN-OWNED
ENTERPRISES IN NAIROBI CITY COUNTY**


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DECLARATION

I, Susan Kanini Njeru, hereby declare that this MSC Research Project entitled “Entrepreneurship, Innovation and Growth of Women-owned Enterprises in Nairobi City County” is my novel conceptualization and has not been presented to any university, college or institution, for conferment of any degree, diploma or certificate.

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SUPERVISOR’S APPROVAL

This research project prepared by Njeru Susan Kanini titled “Entrepreneurship, Innovation and Growth of Women-owned Enterprises in Nairobi City County” has been handed in for assessment with my endorsement as the appointed University Supervisor.

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DEDICATION

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ABBREVIATIONS

GOK	Government of Kenya
MSE	Micro and Small Enterprises
MSEA	Micro and Small Enterprises Authority
SME	Small and Micro Enterprises

ABSTRACT

The objective of the study is to assess the role of entrepreneurship and innovation on the growth of women-owned enterprises. Entrepreneurship and innovation play an important role in economic development, poverty alleviation and job creation. The study is anchored on four theories namely; Entrepreneurship Innovation theory, Social Role theory, Shapero and Sokol's Entrepreneurial Event Model (EEM) and the McClelland's Theory of Achievement Motivation. This study adopted a cross-sectional survey design as it utilizes elements of quantitative research methodologies. The enterprise background was analyzed as well as the parameters that lead to the growth of enterprises. This was followed up by innovative strategies employed by enterprises to drive business growth. The study utilized primary and secondary data obtained from women business owners.

Frequency tables and figures were used to analyze data and report the findings for the study. The study established that women owned enterprises employ a number of innovation strategies to counter the constraints faced during business execution. Women have increasingly become involved in entrepreneurial initiatives though most are only in the small and medium enterprise sector. Growth in this sector is driven by innovation in the business environment. The growth of small enterprises is dependent on many internal and external factors but a firms' innovation strategy greatly determines its survival and growth. The study also established that micro-enterprises are especially important to women since it gives them a chance to be self-employed and also run their household chores.

The study recommends that more investment should be made on women education and training which will give them more skills and also increased their chances of building more networks in the business environment. Women are involved in economic activities such as promotion of education, capacity building, health, provision of water through sinking of boreholes, construction of dams, pans and sand dams and rehabilitating of the nutrition and disaster response.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Entrepreneurship and innovation play an important role in combatting unemployment and wealth creation particularly in underdeveloped economies that have high level of unemployment rates. According to Khanka (2009), women form half of the population in most emerging economies. Most of these economies are in third world countries where women have little or no access to factors for the growth of entrepreneurial activities such as access to microfinance. According to Naudé (2011), increasing the growth impact of innovation and entrepreneurship needs improvement of entrepreneurial ability in terms of quality and allocation. This also means reducing the need for necessity entrepreneurship as seen in most developing economies.

This study is anchored on the Schumpeter theory of innovation that highlights the important role that entrepreneurship plays in new opportunity search for creativity and innovation incorporating opportunity to generate profits (Schumpeter, 1934). As noted, he emphasized on the role and importance of innovation in venture creation but did not make clarity on its origin or gender biasness. In the current global competitive business environment, women enterprises also benefit from innovation that lead to commercialization of opportunities. In addition, several researchers have continued to raise important questions about the methodological bias inherent in conducting research on women entrepreneurs using research designs, scales, and interpretations based entirely on a male model (Brush, 1992; Fischer, Reuber & Dyke, 1993). Feminist anthropologists such as Sanday (1981); Leghorn and Parker 1981 have argued that other variables in addition to women's role in production are key to understanding women's social status and power and hence their success in enterprises.

In Kenya, women have different roles to play in all stages of business growth. They however got the tendency to run businesses that are on average smaller compared to those ran by men. Some even are less growth-oriented a factor that inhibit innovation. Women entrepreneurs are also not in diverse sectors and tend to be concentrated in a few

sectors. (Aslesen, 1998), on the other hand men are more evenly spread across a wider range of sectors (Spilling and Jordfald, 1996; Ozen Kutunis and Bayraktaroglu, 2002), Women entrepreneurs are not innovative in product development, marketing skills and in running the enterprise in general. With women embracing new innovative methods, women-owned enterprises in developing countries like Kenya have increased their worth with more profit realization, a high number of staff employed and their contribution to the country's Gross Domestic Product (Ndururi, 2020).

1.1.1 Concept of Entrepreneurship

Entrepreneurship is a driver of society as seen by many researchers (Frederick & Kuratko 2010). It contributes to a society's social wealth through creation of new markets, new technology, new industries, new institutional forms, new jobs and net increases in real productivity (Audretsch et al. 2007). The jobs created by entrepreneurship in turn lead to equitable distribution of income, which result in higher standards of living for the population. In linking entrepreneurship to innovation, Schumpeter (1934) recognizes that it was the entrepreneur who introduced new products, processes and organizational forms, thus being the initiator of innovation. Essentially, there are very innovative individuals who are recognized as entrepreneurs and there are people who are not very innovative, but have nevertheless started their own businesses and are considered as entrepreneurs. Hence, entrepreneurs are further categorized into two groups: imitative entrepreneurs and innovative entrepreneurs; and opportunity entrepreneurs and necessity entrepreneurs (Frederick & Kuratko 2010; Shane and Venkataraman 2000).

Female entrepreneurship in developing countries can be underpinned in three interrelated themes; entrepreneurship as a way of poverty reduction through raising finance and the provision of business skills and training, the political or policy environment and how it supports the phenomenon, and the extent to which a transition can occur from the informal to the formal economy (Rotter 1966). In Kenya, recognition of the growth of female entrepreneurial activity and the relative success it creates, both in terms of wealth creation and job creation, spurred the government's commitment

to, 'integration of the micro and small enterprises (MSEs) sector into the national economic grid' (Stevenson and St-Onge, 2005, 3). McClelland (1965), and Atkinson (1966) focused their work on entrepreneurial orientation that drives the growth desire. The factors that motivate a person to become an entrepreneur may be classified into prime motivators, motives, compelling factors, facilitating factors, and opportunity factors.

1.1.2 Concept of Innovation

Innovation refers to a creation of something new; new ideas, new product, new method or device. In advanced economies where innovation plays a key role in improving the quality of inputs and in how these are incorporated in the production process, it is evident that long-term growth processes rest ultimately on innovation and technological change. Innovation has become the synonym for the development of nations, technological progress and driver of business success. Innovation nowadays is not simply the "creation of something new" but also a panacea for the solution of board range of problems. The term "innovation" is more and more often used - very frequently by policymakers, marketing specialists, advertising specialist and management consultants - not as a strict scientific concept but as metaphor, political promise, slogan or a buzzword. Many conceptual definitions of innovation were developed in the late 1960-s. The literature on growth theory - from the Schumpeterian approach to neoclassical models and the evolutionary approach - is unanimous in putting innovation at the core of economic growth. For example, Robertson defines innovation as a 'process by which a new idea, behavior, or thing, which is qualitatively different from existing forms, is implemented and applied in practice' [Robertson, 1967, page 14]. Some innovation studies of the late 1960ies also focus on the concept "innovation as something new (or source of novelty)".

1.1.3 Small and Medium Enterprises in Kenya

The Micro and Small Enterprises Act 2012 defines a small enterprise as a firm, trade, service, industry or a business activity. Kenya has a large number of small and micro enterprises. These businesses are known to be very labor intensive and mostly

use local resources. The government and other stakeholders support of small enterprises is highly regarded because these enterprises largely contribute to the national and international economic growth. The contribution made by SMEs in the achievement of macroeconomic goals of a nation is very important. Third world countries have been an interesting study for scholars since the contribution by SMEs has had a great impact on the economy (Shelley, 2004). Policy makers recognize the important role that SMEs have in the global environment and work to ensure that they survive, grow and thrive in a conducive environment.

In 2012, MSEs accounted for over 74.2% of employment levels in terms of the all persons engaged in employment at the time (Gathege and Moraa, 2013). This is evidence that the SME sector can provide the 500,000 jobs set out by the government if proper and clear development strategies are put in place since the failure rates among many start-ups is high. The same study conducted was able to indicate that 38% of the enterprises are expanding while 58% have not recruited more human capital. The study also shows how many enterprises poses a very short life-span with likely to close in their first three years of operation.

1.1.4 Women-owned businesses in Nairobi County

Schumpeter (1934) defines women entrepreneurs as women who innovate, initiate or adopt business actively. 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. Lower education levels among Kenyan women puts their enterprises at the small and micro-levels of the operation. While the gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Women are much less likely to enroll in public universities, national polytechnics, and technical institutes, accounting for only about 39 percent of those enrolled in tertiary education. Lower education and a curriculum that does not emphasize entrepreneurship skills decrease the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. Women

entrepreneurs in Nairobi county are identified as owners of unregistered (informal) businesses who have little formal education (usually less than secondary school level) and lack entrepreneurial and business know-how.

In the recent times, women-owned enterprises in Nairobi County have seen a major shift in growth driven by innovations among new business owners. The number of women business networking and mentorship forums are on the rise with many incubators and accelerators programs targeting women entrepreneurs. However, more than 90% of these female owned business are small and micro-enterprises employing between four and fifteen people in the informal sector. According to Gathege and Moraa (2013), most women owned businesses in the formal sector are rising due to the growth of Hubs emerging across all Africa. Many are technological start-ups that leverage on the hub model to identify market opportunities, to build and refine their business models and effectively pitch the business to investors.

1.2 Research Problem

According to Gitonga (2003), the drivers of innovation and entrepreneurship varies among entrepreneurs based on the business sector, geographical area of operation, government policies and collaborations. The growth expectation among female entrepreneurs is not well analysed in many developing economies, a dimension that requires exploring in under-explored (Roxas and Chadee, 2011); contexts such as Nairobi County. Female entrepreneurs encounter several issues that further exacerbate the barriers between them and their successful entrepreneurial venture. These constraints may come from their personality, immediate family, or from the environment in which they exist and the societal expectations and perceptions of the people around them (Halkias, 2011). The many challenges faced by female entrepreneurs include access to finance, markets, networks and policymakers among others.

Research points that most SMEs in the informal sector in Kenya are not as innovative as those in the ICT sector and this affects negatively their growth potential. Mwangi (2014) in his study on the influence of innovation on SMEs' growth recommended that government and manufacturing firms work closely to ensure policies made are geared towards promoting innovation in the small firms and not enlarging the market share for the

large corporations. Population growth in Kenya is also driving the growth of SMEs through increased consumption of goods and services and availability of labour. Current projections estimate urbanization to rise to 70% by 2050 with almost all the growth will take place in developing regions (UNCHS-HABITAT, 2009). This growth is likely to drive growth of the informal sector as investment in product and service development increase. Women-owned enterprises are more likely to be informal in most countries (ILO 2013). With increased competition and growth of large corporations, women owned enterprises need superior strategies to beat competition. Tucker (2008) states that growth is driven by innovation in the business environment. Freeman (1982) says that to choose to be non-innovative is to choose death to an organization. The country's business system is not as innovative a fact that is greatly seen by the number of imitations happening in the market (Ministry of Science and Technology, 2008).

There has been numerous debates and study around factors that promote or hinder the success of women-owned enterprises. There is however not much study done on how innovation influences the growth of these enterprises. Many scholars have conducted studies in the area of innovation including Gitonga (2003) on Factors Influencing Innovation in Kenya's Banking Industry, Mwangi (2007) who studied the Effect of Innovation in Kenya's Financial Institutions to list but a few. This study therefore seeks to fill this knowledge gap by carrying out an in depth research on innovative strategies employed by women owned enterprises and especially by small scale businesses in Nairobi county by examining the relation between innovation strategies they use and growth of market share. It will therefore answer the question does entrepreneurship and innovation lead to enterprise growth? The county's number of SMEs is very high increasing competition at different stages. Innovation is therefore paramount for business survival.

1.3 Objectives of the Study

The objective of this study is to assess the role of entrepreneurship and innovation in growth of women owned small and medium enterprises in Nairobi city county.

1.4 Value of the Study

This study is of significant to the academic community as it contributes to the body of knowledge around innovation strategies employed by small scale enterprises. It contributes to filling the gap of knowledge that examines the contribution of these strategies to the growth of market share particularly for women owned enterprises. It also adds to the growth of a better theoretical models and point the way toward further study. Little study has been done around this area and this study will add on the knowledge for other researchers to undertake further research. This study will therefore add to the existing literature and theories on women economic contribution. The findings will reveal implications and for future practitioners and researchers whose aim is to study women entrepreneurs in general.

Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. The economic impact of women is substantial, but we still lack a reliable picture describing in detail that specific impact. 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 entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs.

The facts that innovation is important to growth and, in turn, entrepreneurship is important to innovation, naturally raise the question of policy. For policy makers, this study will guide on policy formulation that can be adopted so as to accelerate growth through encouraging innovation. It will also help evaluate the extent that other policies that influence the environment for resource allocation and accumulation have on innovation. It will also guide the role of governments themselves in undertaking and funding research that ultimately produces potentially commercially viable idea.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the available theoretical and empirical literature that is relevant to this study and consistent with its objectives. Previous studies conducted on the study variables and their findings are discussed. Literature review is a very important and mandatory chapter for any research project. It brings out the importance of carrying out any given research in a given field through analysis of already existing knowledge from previous research in the field. This helps to identify the existing gap in the knowledge. The first part covers theoretical foundation on entrepreneurial behavior theories. The second part deals with the review of existing empirical literature in accordance with the study variables.

2.2 Theoretical Foundation

This section discusses the theories that explain innovations and entrepreneurship theories. This section will examine three theories: The Social Role Theory, The Sociological Entrepreneurship Theory and Innovation Theory.

2.2.1. Entrepreneurship Innovation Theory

Joseph Schumpeter's innovation theory of entrepreneurship (1949) holds an entrepreneur as one having three major characteristics: innovation, foresight, and creativity. Schumpeter (1950; 1961) famously defined the entrepreneur as the coordinator of production and agent of change ('creative destruction'). As such the "Schumpeterian" entrepreneur is above else an innovator. Scholars who share this view of entrepreneurship do not consider entrepreneurship to be very important in earlier stages of economic development – they see the contribution of entrepreneurship to be much more important at later stages of development, where economic growth is driven by knowledge and competition. At earlier stages of development, entrepreneurship may play a less pronounced role because growth is largely driven by factor accumulation (Ács & Naudé, 2013).

The strategic stimulus to economic development in Schumpeter's analysis is innovation, defined as the commercial or industrial application of something new---

a new product, process or method of production, a new market or source of supply, a new form of commercial, business or financial organization. Custom, history, tried and trusted practice all condition people to do things in certain and set ways. This aids efficiency but not innovation. All people get to know and are able to do their daily tasks in the customary way and the director has his routine as they have theirs; and his directive function serves to correct individual aberrations (Schumpeter, 1949).

2.2.2 Social Role Theory

Social Role theory suggests that almost all behavioral differences we know about between males and females is the result of cultural stereotypes about gender (how males and females are supposed to act) and the resulting social roles that are taught to young people (Eagly & Steffen, 1986). The gender roles that emerge from a society's division of labor by sex are thus not arbitrary cultural constructions. Gender roles are thus emergent from the productive work of the sexes; the characteristics embodied in these roles become stereotypic of women and men and facilitate the activities typically carried out by the workers of each sex.

The Social Role Theory focuses on interactions between and among individuals, groups, societies, and economic systems as developed by social systems in which people live. It uses a structural approach to sex differences, rather than a cultural approach, in that structural pressures (family, organizations, and communities) have caused men and women to behave in different ways. The perception is that people have a social role based solely on their gender (Archer, 1997). The perception is that people have a social role based solely on their gender. These stereotypic gender roles are formed by social norms that apply to people of a certain category or social position. According to Eagly, "Social Role Theory of sex differences promotes a view of social life as fundamentally gendered, given current social arrangements".

2.2.3 Shapero and Sokol's Entrepreneurial Event Model (EEM)

When Shapero and Sokol introduced their entrepreneurial event model (EEM) in 1982, they did not propose it as an intention model, but it was quickly seen and used as such in literature (Kermit, 2008). The aim of this model is to explain the processes that lead to an entrepreneurial event (Kollmann&Kuckertz, 2006). Shapero and Sokol

assumed that inertia guides human behaviour until some event displaces or unblocks the undesired behaviour. For example, a displacement, such as loss of a job, might alter the perception of the importance to become self-employed.

The behaviour that is performed at the end depends on the credibility of the alternatives and the drive to act. Drive in this context is given when there is perceived feasible and viable behaviour. However, this alone is not sufficient to implement a desirable behaviour; a displacement event, a precipitating event that changes propensity to act and this perception in such a way as to eventually perform the desired behaviour. Thus, if a precipitating event triggers cognitive processes and changes perceptions of viability, the person may act if the desirability of the specified behaviour is greater than that of the alternatives and if the person has a higher propensity to act on that action.

Shapiro and Sokol (1982) identify family, culture, peers, mentors, previous work experience and colleagues as factors that strongly influence personal values and the individual's perceptions. The history of experiences strongly influences what is desirable and what is not. Perceived feasibility indicates to what extent someone feels capable of, e.g., starting a business. The concept of perceived feasibility is similar to Bandura's self-efficacy, which is often used as a measure of perceived feasibility (Krueger et al., 2000).

2.2.4 McClelland's Theory of Achievement Motivation

Firm growth is driven by an entrepreneur's need to achieve. Entrepreneurs' personal characteristics may be determined by psychological and non-psychological motivating factors. Many entrepreneurs do have a need to achieve, a need to do well and to achieve goals that they have set to a certain standard that is specific to each person (Johnson 1994; Shanthakumar 1992; Solymossy 1998). During the early 1940s, Abraham Maslow came up with the theory of needs where he outlined physiological needs, safety needs, the need to belong, self-esteem and self-actualization. David McClelland in 1961 built on Abraham's work by explaining this theory of achievement motivation in the economic development of an individual. This need is greatly connected to how an entrepreneur is oriented (Cooper 1986). Other than the need to achieve, McClelland (1961) also explains the need for affiliation and the need for power (Sexton and Bowman 1986).

The needs explained differentiates between a successful entrepreneur and one who fails in the business venture (Miller and Friesen 1982). Need for achievement shows the individuals that has a strong desire to undertake difficult tasks well and who seeks to meet excellent personal standards. These individuals usually achieve advancement in the jobs or the tasks they set out to carry out. This achievement is driven by the clear goals they set to achieve they also encourage feedback on they perform so as they can be able to improve on any weaknesses experienced (McClelland, 1985). When choosing projects to embark on, they prefer moderate risk projects. Those with fifty percent chance of success.

McClelland explains human motivation as being that arousal of particular motives in a specific setting (McClelland, 1985). This theory is also related to other theories such as the Herzberg's motivation-hygiene theory. It explains that persons with high achievement motivation are not only interested in achieving but also on the motivator or the task itself (McClelland, 1975; Stahl, 1983). Many however prefer working alone as compared to working in groups. This is descriptive of young entrepreneurs who start out alone in many of their entrepreneurial activities. Self-assessment is used as a measure for success. Their achievement gives them more feel of success as compared to financial gains (McClelland and Burnham, 1976; Hines, 1973). Future-oriented individuals that show dedication to their task always achieve success due to their persistence sacrificing many activities and personal time.

2.2.5 Innovation affecting growth expectations in female entrepreneurs

In developing countries, there is a lower rate of female entrepreneurial activities (Hill and Akhrass, 2018). McClelland et. al. (2005) believed that the need for achievement is the main motivator for any entrepreneurs to excel and ultimately drives innovation. Traditionally, cultural ideas on gender often mean that men are seen and see themselves as more instrumental and committed to business activities and career than women (Alvesson, 2002). One of the main concepts emphasized in line with this argument is “creating equal opportunities,” which involves the elimination of structural and cultural barriers and biases that inhibits women participation in business activities and advancement at workplace. It argues that women exhibit a consistently lower likelihood of becoming an entrepreneur than

their male counterparts (Van Gelderen, 1999; Diochon et al., 2002; Reynolds et al., 2004; Wagner, 2005).

Policies and discourse that equate innovation solely with advances in technology exclude much of women entrepreneurs' innovations. Science and technology in particular equates innovation to goods, rather than services. Most of the businesses started by women entrepreneurs are concentrated in the service sector (90%, according to TD Economics, 2015) and women are underrepresented in the science and technology sector (Bahmani & al., 2012; Move the Dial, 2017). Innovations may be inhibited by lack of access to capital for startup and growth, ageism (as women tend to start a business in a later stage of their life and age out of funding programs) and sexism and harassment from investors and clients. Opportunities for funding may not be fit for female entrepreneur's goals and may also not focus on promoting local production.

2.3 Entrepreneurship, Innovation and growth of SMEs

Innovation is an essential condition for entrepreneurship. When opportunities exist, regardless of their nature, entrepreneurs get new opportunities and new solutions emerge to their existing challenges in new contexts for better results in support of a growing economy (Nooteboom and Stam, 2008). This demonstrates the importance of entrepreneurship to innovation. Most scholars define an entrepreneur using her essential characteristic, namely, as the source of a new, potentially commercially viable idea. The entrepreneur herself or others to whom she licenses or sells the idea, implement it in a productive enterprise. The focus is much on the implementation in an enterprise and not more so much the generation of ideas when looking at the perspective of enterprise growth.

New firms are always useful for exploring new viability for innovations, whether they are small or big (Wagner, 2005). There are also both external and internal challenges on the part of innovation when it comes to promoting innovation in SMEs. External factors can be subdivided into supply, demand and environment related as supply barriers include difficulties in obtaining technological information, raw materials and finance; and demand barriers are related with customer needs, their perception of the risk of innovation including domestic or foreign market limitations. Internal barriers can be further subdivided into resource related such as internal funds,

technical expertise or management time, culture and systems related, human nature related such as attitude of top management or employees who resist innovation (Lahi and Elenurm, 2014).

2.4 Review of Related Literature

Solow's (1957) analysis of growth in the US economy during the first half of the twentieth century showed that the contribution of growth in inputs of production, namely labour and capital to aggregate growth, was around half, and the remaining half, is commonly attributed to technical progress or the contribution of innovation. This is also emphasized by Lien and Chen (2007) with their analysis on enterprise growth pegged on innovation. This drives future organization success and considered a key factor for sustainability of business viability. Therefore, a core competency that every enterprise needs to master is innovation (Sheu, 2007). Entrepreneurship has a positive impact on economic development particularly in employment creation, economic growth, innovation and diversity of entrepreneurship (Verheul et al, 2006 Jamali, 2009).

Existing literature shows that women business owners often lack prior business experience, especially in managerial positions (Poggesi et al., 2016). To gain a deeper insight on female entrepreneurship and understanding gender differences in their entrepreneurial performance, a couple of limitations exist. Entrepreneur's human capital is directly and positively associated with growth expectation (Manolova et al., 2007). Makokha and Namusonge (2016) also stated that most women entrepreneurs have platform for innovation, to create networks and exchange vital information; hence the need for increased entrepreneurial initiatives and innovation for enterprise growth.

2.5 Summary of Empirical Studies and Research Gaps

Study	Methodology	Key Results/Findings	Research Gaps	Focus on current Study
The impact of female entrepreneurship on economic growth in Kenya. (Lock & Smith 2015)	Structural equation modeling approach	Female entrepreneurship will have a greater impact on economic growth, if countries introduce more effective policies, regulation of the informal sector and further support to women entrepreneurs, for example through business training, mentoring and financial support.	The study focused on economy growth and did not analyze enterprise growth that leads to economic growth.	Focuses on specific enterprise growth by women led enterprises that is driven by entrepreneurship and innovation.
The Role of Business Accelerators and Incubators in Sustainable Development. (Ihuoma, 2020)	Critical review of literature	Despite the successes of business incubators and accelerators in promoting the development of SMEs, there is still a need to develop a well-organized	The study was limited to accelerators and incubators as innovation model	The current study evaluates various approaches and models of innovation that drive innovation for female led enterprises.

		and better functioning follow-up system to monitor the activities of businesses with the view to encourage the promotion of sustainable development.	to drive economic growth.	
Innovation and Research Strategy for Growth. (BIS, 2015 Economics paper no. 15)	Descriptive research design	As firms invest in innovation, whether in spending on research, or skills, or better management, government has a role too as it provides critical infrastructure, is a significant purchaser of goods and services, and can facilitate the sharing of knowledge and strengthening relationships.	The study does not analyze the innovation motivators based on gender.	The current study seeks to determine what motivates women to innovation and growth of their enterprises.

<p>Introduction: Entrepreneurship, Innovation and Growth. (Stephan & Soete, 2014)</p>	<p>Critical review of literature</p>	<p>Reducing the need for necessity entrepreneurship may also imply policies to encourage job creation and provide social security, not popularly associated with an entrepreneurial economy.</p>	<p>The impact of accelerating innovation and entrepreneurship on female owned enterprises.</p>	<p>The current study reviews the innovation strategies among female led enterprises and their impact on enterprise growth.</p>
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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that was used to provide answers to the research questions. It focused on research design, target population, sampling procedure, data collection methods and methods of data analysis.

3.2 Research Design

This study used a cross-sectional survey design to determine how and to what extent innovation drives growth of developing economies. This design seeked to describe specific characteristics of a group; it was applied because of its ability to ensure minimization of bias and maximization of the reliability of evidence to be collected (Mugenda & Mugenda 2003). This design is ideal for the empirical inquiry in this research since the researcher does not have direct control over the independent variables because their manifestations already existed; hence they are inherently not easy to manipulate (Kothari, 2004).

3.3 Target Population

Mugenda and Mugenda (2003) explain that the target population refers to the population to which a researcher wants to study. More than 30% of SMEs in Nairobi county are owned by women (Omunyin, Ruto, Yegon, & Bii 2014). Purposive sampling was used in the study where the researcher sampled 30 female owned enterprises in Nairobi county. The sectoral context of women entrepreneurs in the county is similar and this method reached the target quickly as the sampling for proportionality was not the primary concern. Purposive sampling, also referred to as judgment, selective or subjective sampling is a non-probability sampling method that is characterized by a deliberate effort to gain representative samples by including groups or typical areas in a sample (Mugenda & Mugenda 2003).

3.4 Sampling Frame

A simple random sample of 30 women-owned enterprises in Nairobi County was used in the study. This method was used because of its ease in assembling the sample, its representativeness of the population and it is unbiased selection

thus reasonable to make generalizations (Mugenda and Mugenda, 2003). According to Dattalo (2007), the perfect sample size is directly related to the type of research one is conducting. The study used purposive sampling to get representation of the enterprises in the county. In purposive sampling the researcher relies on his/her own judgment to select sample group members.

3.5 Data Collection

The study used primary data. The type of data to be collected was informed by the objectives of the study as supported by (Teddlie 2010). Data was collected using self-administered questionnaires. Questionnaires are appropriate because they enable the respondents to collect data from a large number of people in a short period of time and in a relatively cost effective way and results of the questionnaires can usually be quickly and easily quantified. The questionnaire was developed by the researcher and it captured data on the role of entrepreneurship and innovation in developing economies. It consists of three parts; part A that gives the background data of the respondent, part B shows the entrepreneurial trait of women entrepreneurs C covers the innovative strategies.

3.6 Reliability and Validity Tests

This study carried out a pilot test sampling 10 women owned enterprises in Nairobi city county that were part of the main research. As per Nunnally (1978), the aim of the pilot test was to guarantee that the research instruments bear internal constancy.

3.6.1 Reliability of the Research Instrument

Collis and Hussey (2009) observe that reliability indicates the consistency of the research instruments. For reliability assessment, the Cronbach's alpha (α) was used by the researcher at 0.7 as per Nunnally (1978). Consequently, it is suggested by Collis and Hussey (2009) that a value range of 0.4 to 0.7 is suitable and values that are over 0.7 are preferred. Tashakkori and Teddlie (2010) further observe that a questionnaire is considered as not reliable when the Cronbach Alpha coefficient recorded is from 0.10 to 0.45; if from 0.46 to 0.64 then it has low reliability; while from 0.64 to 0.81, it is sufficiently reliable; and reliable highly if it ranges from 0.82 to 1.00. Table 3.1 projects the test results for reliability.

Table 3.1 Summary of Cronbach's Alpha Reliability Coefficients

Reliability Statistics

Variable	Components of variable	Cronbach's Alpha	N of Items	Decision
Product innovation	Purchase cost Discount offers Supply reliability	.801	6	Highly reliable
Marketing innovation	Purchase cost Competitors price Discount offers Advertisement Supply reliability	.834	8	Highly reliable
Technological innovation	Competitors price Advertisement Supply reliability	.769	12	Sufficiently reliable

Process innovation	Purchase cost	.876	4	Highly reliable
	Competitors price			
	Supply reliability			

Source: Survey Data (2021)

Table 3.1 demonstrates that alpha coefficients for all the concepts were above 0.70, varying from 0.769 which was the least, to 0.876 which was the highest. Highest reliability was recorded in process innovation ($\alpha = .876$), while technological innovation ($\alpha = .769$), marketing innovation ($\alpha = .834$) and product innovation with ($\alpha = .801$). The outcomes align with Cronbach (1951), who set the 0.7 benchmark. This shows that all the questions were consistent internally, and therefore reliable. It was thus inferred that the questionnaire adopted in the study had coefficients that were sufficiently reliable and therefore appropriate for this research. Based on the above analysis, the Cronbach's alphas; 0.801, .834, .769 and .876; there is an indication there is a higher degree of internal consistency and reliability for the scale employed in the study.

3.6.2 Validity of the Research Instrument

Kothari (2004) defines validity as the degree at which a measure accurately gauges a construct, which expressly showcases the extent to which the adopted measures fulfil their objectives. Validity of both the content and face type were in this study tested. While in content validity the indices gauge whether or not the gauge is indicative of all construct's attributes, face validity demonstrates whether or not the gauge seems like they measure the concepts that were developed to (Saunders et al. 2016) expert judgment was sought to test for both content and face validity, in order to improve both content and face validity of data collection instruments. Validity tests were passed to the instruments, as the supervisors approved the same for fieldwork.

Sphericity and sampling adequacy tests were further conducted to confirm validity of the instruments. This allowed the researcher to make a determination of whether it was

possible to advance further assessments. Table 3.2 projects the sampling adequacy and sphericity test put forth by Kaiser-Meyer-Olkin (KMO) and Bartlett respectively.

Table 3.2: Adequacy of Sampling and Sphericity Test by Barlett

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.608
Bartlett's Test of Sphericity	Approx. Chi-Square	85.072
	df	6
	Sig.	.000

3.7 Operationalization of Study Variables

Variable	Operational indicators	Measurement	Measurement scale	Data Collection Tool	Data Analysis
Growth of SMEs	Creation of employment Growth in sales Economic parameters Social business environment Legal and administrative issues	Likert scale	Interval	Questionnaire Part 2	Descriptive statistics Regression analysis Correlation analysis
Entrepreneurship and innovation	Technological innovation Product innovation Process innovation Marketing innovation	Likert scale	Interval	Questionnaire Part 3	Descriptive statistics Regression analysis Correlation analysis

3.8 Data Analysis

A systematic approach is required when analyzing and interpreting qualitative data (Taylor-Power & Renner, 2003). According to Byrne (2001), qualitative data analysis consists of identifying, coding and categorizing patterns found in the data. Data analysis is the process of systematically arranging field findings for presentation. Analysis will be done using excel sheets. All the responses will be made ready for analysis through summaries made from the sheet. Descriptive statistical techniques and descriptive narrations will be used to analyze the data. The profiles of the respondents, these are responses that show factors that will be examined on the growth of the enterprise due to entrepreneurship and innovation will be analyzed using simple statistics such as frequency tables and percentages. Descriptive statistics which involve computing mean and standard deviations of the data collected from the field will be computed for the Likert statements and analyzed by comparing these mean scores and deviations from all the participating respondents. Descriptive statistics is preferred to compare the level of impact on growth through various innovation strategies by the means and standard deviations of data compiled. Relevant discussions will reference the literature review done so as to achieve the desired results. When giving interpretations of the results for the likert questions, the mean scores from the results will then be applied. The data will be analyzed qualitatively with the aim of ascertaining common themes from the responses provided by the respondents.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings based on the data collected after administering the questionnaires. The purpose of the study was to analyse the role of entrepreneurship and innovation in growth of women-owned small and medium enterprises in Nairobi county. Frequency tables and figures were used to present the data and facilitated report production with the intention of answering the research objectives.

4.2 Response Rate

As indicated in chapter three, the research method used was questionnaires which were emailed to the selected participants in the research. The thirty filled questionnaires were then email back to the researcher for analysis. This was an 100% response rate which conclusively achieves the research objectives.

4.3 Business Background Information

This section provides the general characteristics of women-owned small and medium scale enterprises in Nairobi county; in terms of their duration of existence, form of business ownership, number of employees in the company and the estimated value of the business. This generally helps link these characteristics and to what has been attributed to a particular business growth.

4.3.1 Business Duration

The questionnaires sought to find out the length the enterprises have been in existence as shown in figure 4.1 below.

Figure 4.1: Length of business existence



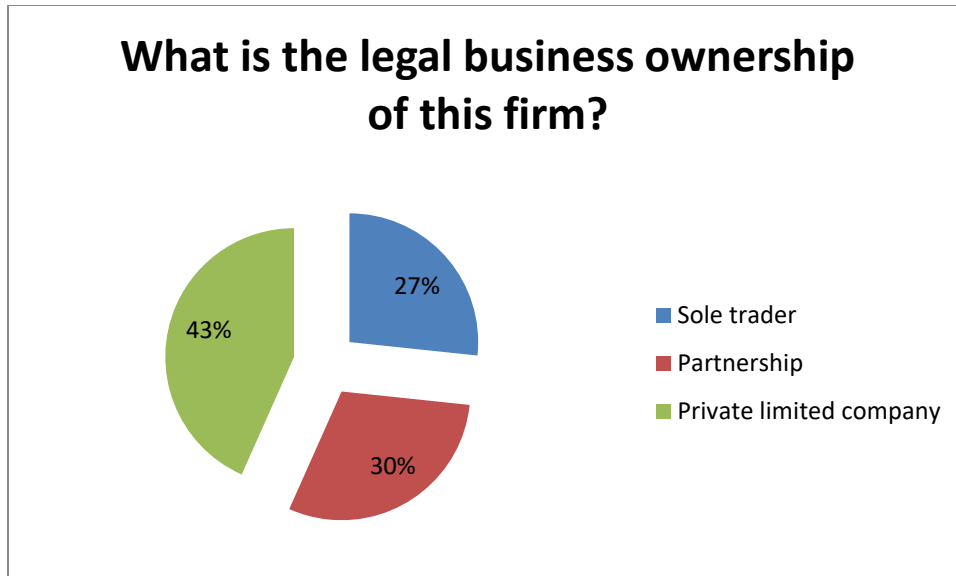
Source: Field data

Figure 4.1 presents that the majority of the respondent's businesses have been in existence for 1-5 years. This shows that most of the enterprises are in their early stage of growth. Of this, a few were on their start-up stage hence the study examined the innovation strategies applied at this stage to ensure growth. Small businesses experience different stages of growth and this has a positive relationship to the number of years it has been in existence. Most companies that have existed for long have a high likelihood of exhibiting growth compared to young companies. Entrepreneurs should recognize the fact that businesses go through a life cycle and not expect instant growth. Many close out early without experiencing this early stages that are at times more difficult than the later stages when the business is well established in its industry.

4.3.2 Form of Business Ownership

Three types of business ownership were identified as shown in figure 4.2 below. Period of existence differences was noted in terms of business ownership with enterprises that had been in existence longer registered as private limited companies.

Figure 4.2: Form of Business Ownership



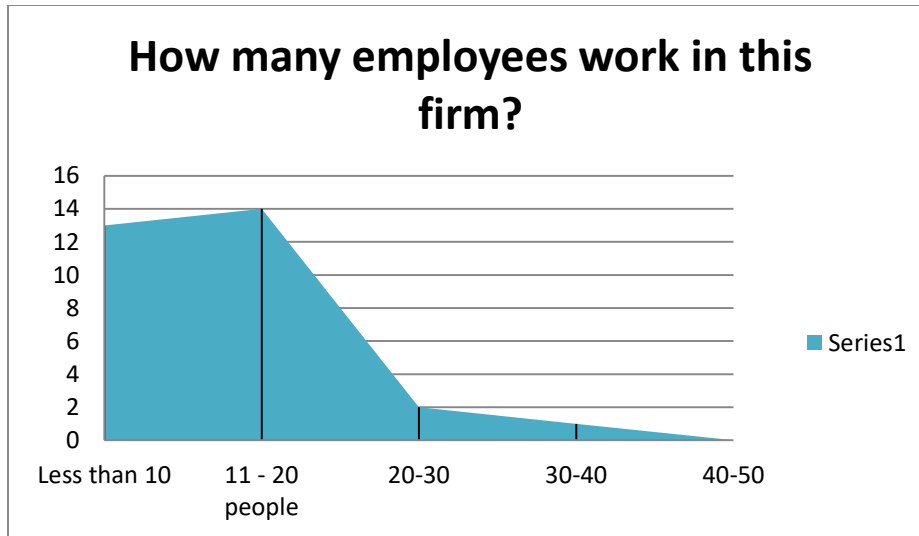
Source: Field data

The enterprises exhibited all the three forms of business registration with the most preferred being private limited company with 43% of the enterprises. The enterprises are in different sectors with entrepreneurs having preferences on their registration mode. For the larger enterprises, entrepreneurs preferred operating private limited companies as compared to other forms of business ownership. The main advantage is the limitation of the financial liability of all its shareholders.

4.3.3 Number of Employees in firm

The questionnaire also analyzed the number of employees in the different enterprises in the study.

Figure 4.3: Number of employees



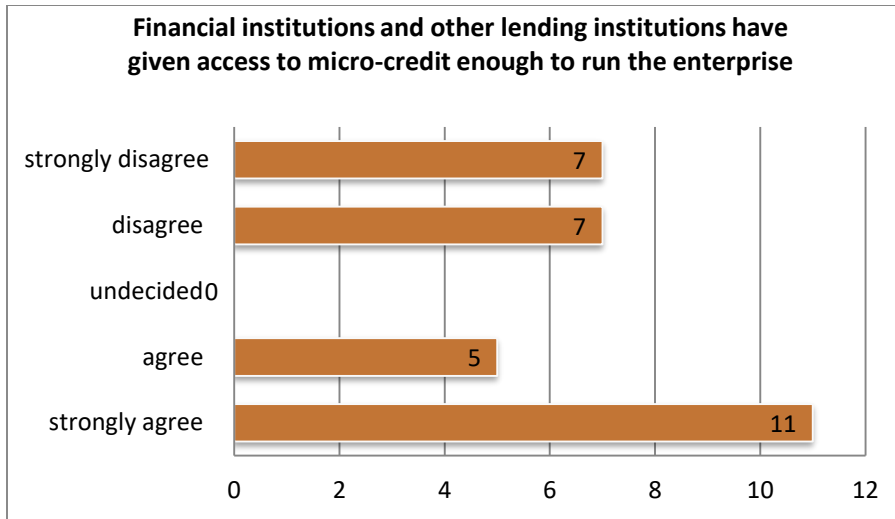
Source: Field data

As shown in figure 4.3 women-owned enterprises in Nairobi county studied employ on average between 11 – 20 employees. Only three enterprises had more than 20 employees. This shows that the enterprises are not labor intensive as compared to other manufacturing business. Also, most of these enterprises had been in existence for less than five years, hence have not experience much growth to absorb high human capital. This therefore shows the correlation between number of staff and the years of existence.

4.4 SMEs Parameters that affect Growth of Enterprises

The growth process of SMEs faces a number of constraints especially in accessing finance, markets; training and technology that greatly affect their performance. This study analyzed the most common constraints faced by women-owned SMEs based on common parameters identified during the study.

Figure 4.4: Access to Finance



Source: Field data

11 of the analyzed enterprises strongly agreed that financial institutions and other lending institutions had given them access to micro-credit that was enough to run the enterprise. However, there were 7 enterprises that strongly disagreed and 7 others that still disagreed on this and view lack of financial capital access as a key constraint to the growth of their enterprises.

Figure 4.5: Marketing

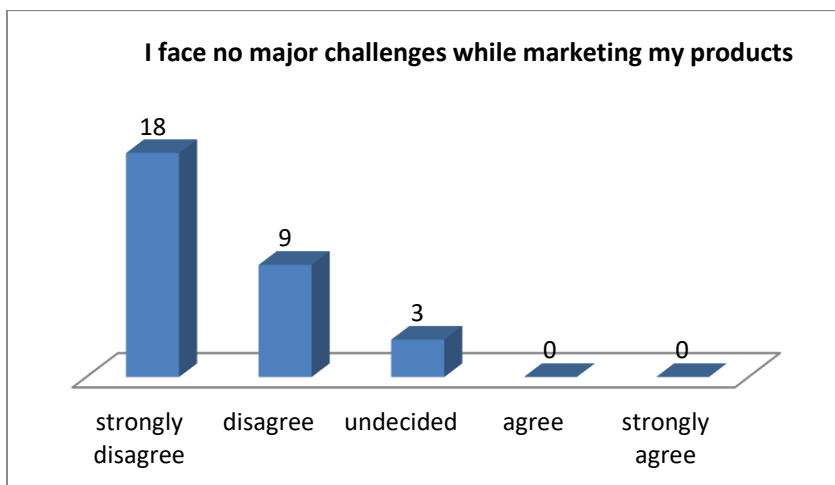
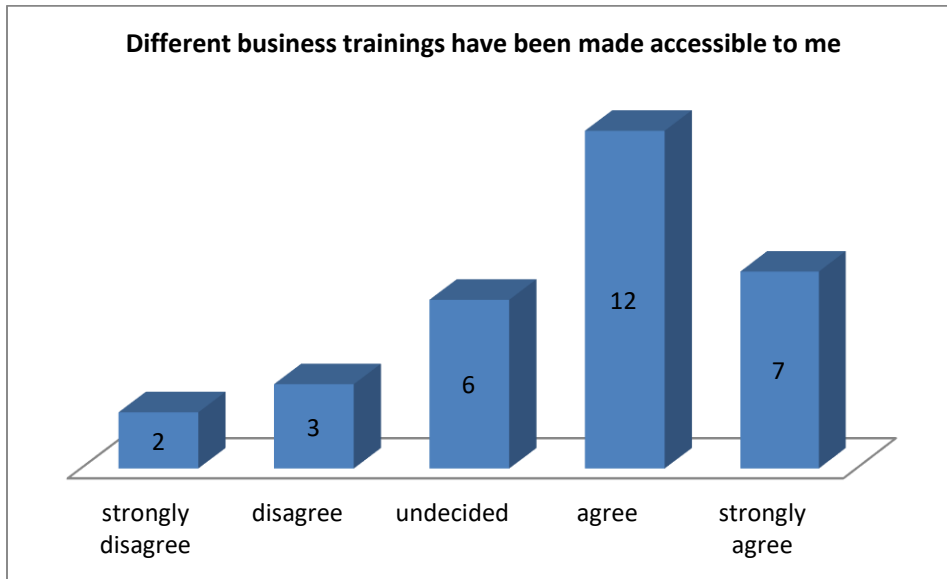


Figure 4.5 above represents the outcome of the analysis on the marketing challenges faced by the enterprises in the study. 18 enterprises indicate that they face challenges while

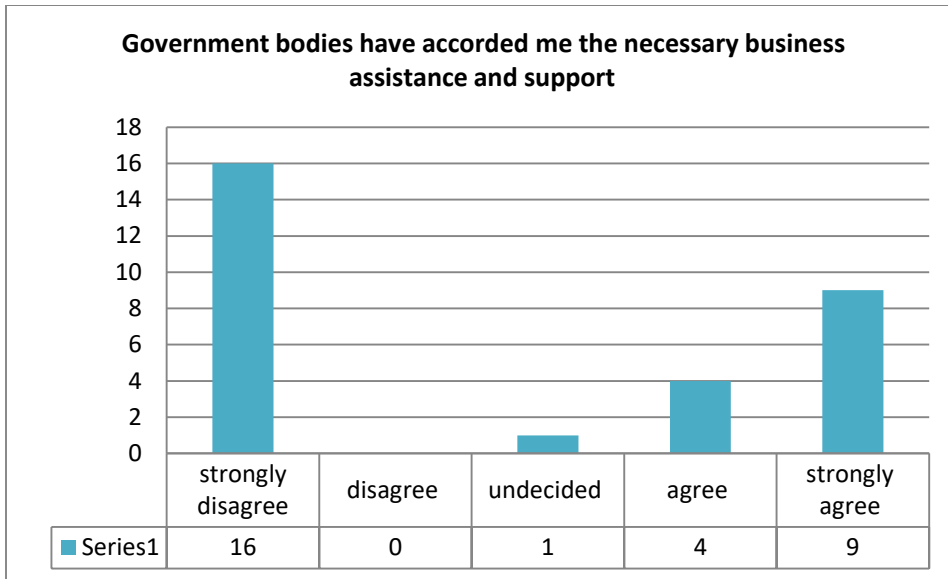
marketing their products. This was evident among other enterprises in the study with 9 also disagreeing with the statement. 3 were however undecided. From this analysis, marketing is a major constraint for women enterprises analyzed.

Figure 4.6: Access to training



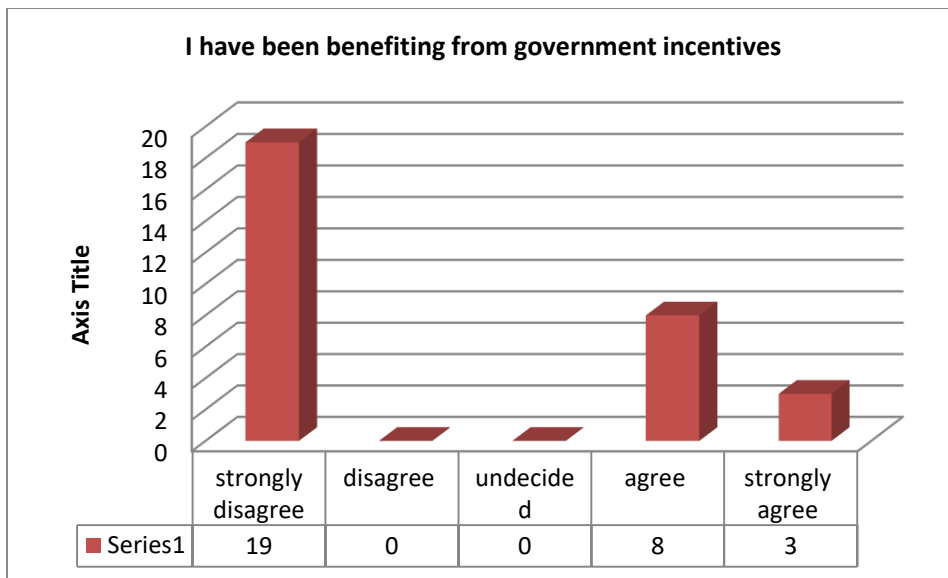
Among the analyzed constraints, access to business trainings was evaluated. 2 strongly disagreed with the statement that different business trainings were made accessible to them, 3 disagreed, 6 were undecided; 12 however agreed with 7 strongly agreeing. Although a large number of enterprises owners agree to have access to business training, not all strongly agree showing some lack of confidence in the trainings that were made available to them.

Figure 4.7: Government Support



The study also sought to find out the if the women-owned enterprises found their government institutions supportive in their business endeavors. 16 strongly disagreed. This shows that businesses in the county do not attribute much of their success to assistance and support from their local or national governments either during the establishment of the enterprise and also during the long term running of the business.

Figure 4.8: Government Incentives



As seen in the figure 4.7, government incentives were not reaching women-owned enterprises based on the results represented in the above figure 4.8. This may also represent lack of incentives available. 19 respondents strongly disagreed while 8 agreed and 3 strongly agreed. During year 2020/2021 government incentives were available to cushion businesses from the impact of Covid-19 and from the analysis only 11 enterprises had access to some of these incentives.

Table 4.1: Descriptive Computations for Growth Parameters

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
					Lower Bound	Upper Bound			
					Economic parameters	Access to finance			22
	Collateral	6	2.0000	.00000	.00000	2.0000	2.0000	2.00	2.00
	Financial institutions	2	2.0000	1.41421	1.00000	-10.7062	14.7062	1.00	3.00
	MFI's	30	1.7333	.52083	.09509	1.5389	1.9278	1.00	3.00
Social business environment	Business registration	4	1.8636	.77432	.16508	1.5203	2.2069	1.00	3.00
		7	3.0000	.00000	.00000	3.0000	3.0000	3.00	3.00
	Training	19	3.0000	.00000	.00000	3.0000	3.0000	3.00	3.00

Legal and administrative issues	Access to markets	30	2.1667	.83391	.15225	1.8553	2.4781	1.00	3.00
	Culture	4	1.4091	.50324	.10729	1.1860	1.6322	1.00	2.00
	Government incentives	19	2.5000	.83666	.34157	1.6220	3.3780	2.00	4.00
	Policies	7	2.5000	2.12132	1.50000	-16.5593	21.5593	1.00	4.00
	Total	30	1.7000	.83666	.15275	1.3876	2.0124	1.00	4.00

Source: Survey Data (2021)

Outcomes projected in Table 4.1 point to a compound average of 1.70 (SD=0.836), implying that a majority of participants affirm highly to questions asked regarding economic parameters, social business environment and legal and administrative issues. A great majority of participants affirmed that government incentives and support influences growth (2.50); access to business training (3.00) found to be important and having access to finance for business growth (2.00).

4.5 Innovative Strategies

The study found out that women-owned SMEs in Nairobi county are willing to employ innovative strategies in order to increase market share. The tables represented below show uptake of different innovation strategies by the analyzed enterprises using correlations between two innovation strategies.

Table 4.2: Correlation between Product Innovation and Technological Innovation

		Product innovation	Technological innovation
product innovation	Pearson Correlation	1	.901**
	Sig. (2-tailed)		.000
	N	30	30
technological innovation	Pearson Correlation	.901**	1
	Sig. (2-tailed)	.000	
	N	30	30

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

The above Pearson product-moment correlation was performed with the aim of determining the prevailing relationship between variables product innovation and technological innovation. Based on the analysis output, there a strong, positive correlation between the variables, one which is statistically significant ($r=.901$, $n=30$, $p< .005$).

Table 4.3: Correlation between Process Innovation and Product Innovation

		Process innovation	Product innovation
process innovation	Pearson Correlation	1	.791**
	Sig. (2-tailed)		.000
	N	30	30
product innovation	Pearson Correlation	.791**	1
	Sig. (2-tailed)	.000	
	N	30	30

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

The above Pearson product-moment correlation moment was performed with the aim of determining the prevailing relationship between variables process innovation and product innovation. Based on the analysis output, there a strong, positive correlation between the variables, one which is statistically significant ($r=.791$, $n=30$, $p<.005$).

Table 4.4: Correlation between Marketing Innovation and Technological Innovation

		Marketing innovation	technological innovation
Marketing innovation	Pearson Correlation	1	.837**
	Sig. (2-tailed)		.000
	N	30	30

technological innovation	Pearson Correlation	.837**	1
	Sig. (2-tailed)	.000	
	N	30	30

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

The above Pearson product-moment correlation moment was performed with the aim of determining the prevailing relationship between variables process innovation and product innovation. Based on the analysis output, there a strong, positive correlation between the variables, one which is statistically significant ($r=.837$, $n=30$, $p<.005$).

Table 4.5: Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.440	2.253		-.195	.000
1 growth of your firm with the innovation strategies	.356	.087	.855	4.107	.000
Technological innovation	.406	.462	.298	.880	.007
Product innovation	-.181	.175	-.508	-1.035	.001
Process innovation	-.068	.242	-.080	-.280	.0010

a. Dependent Variable: Market share

In the above regression coefficient analysis, it is clear that it has predicted the dependent variable significantly accurately. This is depicted by the fact that from the results, the regression model was statistically, with the $p<0.0005$, indicative of the fact that the model statistically predicts the implication of the variable.

Table 4.6: One-way ANOVA test

Market share		ANOVA				
		Sum of Squares	Df	Mean Square	F	Sig.
technological innovation	Between Groups	49.52	2	24.760	4.033	.000
	Within Groups	3.834	27	.142		
	Total	53.354	29			
product innovation	Between Groups	11.284	2	5.642	6.571	.000
	Within Groups	11.016	27	.408		
	Total	22.300	29			
process innovation	Between Groups	24.436	2	12.218	12.0926	.000
	Within Groups	0.081	27	.003		
	Total	24.517	29			
marketing innovation	Between Groups	1.50	2	0.750	6.0830	.000
	Within Groups	0.162	27	.006		
	Total	1.662	29			

An analysis of the one-way ANOVA executed in the above analysis demonstrates there is a statistically significance different between the variables as determined by the p value, .000, which is less than 0.05, thus implying there is a statistically significant difference between the innovation strategies; technological innovation, product innovation, process innovation and marketing innovation and market share growth. The contribution to market share growth by the innovation strategies demonstrates the link between entrepreneurship, innovation and how it affects the growth of women-owned enterprises in Nairobi county.

4.6 Discussion of the Results

The findings also indicated that 43% of the enterprises are registered as private limited companies. They also indicate that most women-owned enterprises were in existence between one to five years. 53% of the enterprises were not accorded government support

and assistance, a factor that could be attributed to their form of business registration. The enterprises analysed employed all the innovation strategies in the study in a bid to grow their market share.

4.6.1 Findings Link to the Underpinning Theories of the Study

Innovation strategies were analyzed in the study and they link to Schumpeter Innovation theory (1949) that indicate the strategic stimulus to economic development in innovation can occur at any stage in business growth. At earlier stages of development, entrepreneurship may play a less pronounced role because growth is largely driven by factor accumulation (Ács & Naudé, 2013). The Social role theory suggest that behavioral differences in male and female are as result of culture which was exhibited in the analysis of the social business environment in the study. McClelland explains human motivation as being that arousal of particular motives in a specific setting (McClelland, 1985) which explains women motivation in business growth and why they experience growth during the early stages of business existence.

4.6.2 Findings Link to Empirical studies in the Literature Review

Existing literature shows that women business owners often lack prior business experience, especially in managerial positions (Poggesi et al., 2016). The length of business existence in the study show that majority of female entrepreneurs had not practiced for a long time. To gain a deeper insight on female entrepreneurship and understanding gender differences in their entrepreneurial performance, a couple of limitations exist. Entrepreneur's human capital is directly and positively associated with growth expectation (Manolova et al., 2007). Makokha and Namusonge (2016) also stated that most women entrepreneurs have platform for innovation, to create networks and exchange vital information; hence the need for increased entrepreneurial initiatives and innovation for enterprise growth.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study sought to find out the role entrepreneurship and innovation plays in the growth of women-owned SMEs in Nairobi county. The sample size targeted was 30 women-owned enterprises. This chapter presents summary of the research findings. The implications from the findings and areas for further research are also presented. The findings from the study are presented in comparison to what other scholars have said as noted under literature review.

5.2 Summary of the Study

The study findings indicated that most women-owned enterprises were in existence between one to five years. It was clear that most of the targeted enterprises were in their early stages of growth. Growth in the early stages was slow for some enterprises and fast as exhibited by employee number and sales increase. Women entrepreneurs in targeted in the study had access to business networks and mentorship group that served to grow their entrepreneurial and innovative traits. As stated by Makokha and Namusonge (2016), women entrepreneurs have platform for innovation, to create networks and exchange vital information; hence the need for increased entrepreneurial initiatives and innovation for enterprise growth.

The findings also indicated that 43% of the enterprises are registered as private limited companies. This form of business registration was by large enterprises with most entrepreneurs limiting their financial liability. The reason behind this evaluation was to evaluate the impacts on future firm performance of a firm deciding to register from the outset of its operations. The weak institutional environment existing in the SME sector needs start-ups to be registered on the onset as the benefits outweighs the disadvantages. The findings also showed that 53% of the enterprises were not accorded government support and assistance, a factor that could be attributed to their form of business registration.

From the study, it is evidence that growth parameters that are necessary for enterprise growth are linked to factors that lead to the entrepreneurial event. Shapero and Sokol

(1982) assumed that inertia guides human behavior until some event displaces or unblocks the undesired behaviour. This is seen in the parameters analyzed in the study that at times lead to growth or stagnation of a firm's growth. 63% of the analyzed firms indicated that they had access to training. The entrepreneurship innovation theory by Schumpeter (1949) stated that the strategic stimulus to economic development is innovation, defined as the commercial or industrial application of something new--- a new product, process or method of production, a new market or source of supply, a new form of commercial, business or financial organization. This is greatly linked to access to training that stimulates entrepreneurship and innovation in most business owners. The enterprises analysed employed all the innovation strategies in the study in a bid to grow their market share. There was a strong correlation between the four strategies; process, product, technological and marketing innovation. For enterprise growth to be positive, the innovation strategies need to be employed based on the type of business and without neglecting one as they all contribute to this growth. The study used tools that were applied without bias on gender. Eagly and Steffen (1986), analyzed the social role theory and suggests that almost all behavioral differences we know about between males and females are the result of cultural stereotypes about gender. This is evident also in their expectations in conducting various business functions (how males and females are supposed to act) and the resulting social roles that are taught to young people. Women entrepreneurs analyzed all employed different innovation strategies in their business.

Ewoh (2014) noted that people who are able to acquire the necessary education and training in a particular business area usually gain the much required expertise and improve their chances for business success. However, the proper training for women is much difficult than that of men. This is because women have other household obligations which are very time consuming. Ability to tap in to new markets requires this training that women have no greater access to. Many women in the modern society still lack access to training and also have no experiences on how to engage with others in the market place. This therefore makes them unable to strategically market goods and services. For this reason, most enterprises owned by

women do not have enough capacity to make maximum production and market their goods and services.

According to Jovanovic (1982), a firm's growth is seen as a learning process and most enterprises do not show immense growth during the early stages. There are a lot of developments during the entry stage and an enterprise has a lot to learn at that point. Findings from the study however show contrary results to our predictions with 73% of the enterprises showing tremendous growth in the first five years in existence. The growth is due to the variety of innovation strategies employed by the young enterprises and the contribution to market share growth.

5.3 Conclusion of the Study

The study concludes that entrepreneurship and innovation play a great role in the growth of enterprises. Different types of innovations strategies employed determine the market share an enterprise can control. With the high population and high consumer purchase power in Nairobi county women enterprises that are driven by entrepreneurship and innovation experience growth. In linking entrepreneurship to innovation, Schumpeter (1934) recognizes that it was the entrepreneur who introduced new products, processes and organizational forms, thus being the initiator of innovation. Though driven into entrepreneurship by necessity, the study also concludes that most female respondents have taken innovation to reduce the impact of business constraints to their businesses. According to Naudé (2011), increasing the growth impact of innovation and entrepreneurship needs improvement of entrepreneurial ability in terms of quality and allocation. Furthermore, the study found that enterprises have become increasingly conscious of the need to improve the quality of their service provision as result of increasing customer expectations, growing competition and changing technology. Enterprises have attracted new customers and strengthened existing relationships.

5.4 Implication of the Study

The study results have a great implication on practitioners and researchers that aim to study women entrepreneurs and also on the theories reviewed. There exist various constraints to business growth and applying various innovation strategies reduces the negatives economic impact brought about by these constraints.

5.4.1 Implication to Theory

The enterprises studied had not been in existence for a long time with most being less than 5 years in business. At earlier stages of development, entrepreneurship may play a less pronounced role because growth is largely driven by factor accumulation (Ács & Naudé, 2013). However, the study findings show that growth was exhibited during the first five years of the enterprise existence. McClelland explains human motivation as being that arousal of particular motives in a specific setting (McClelland, 1985) which explains women motivation in business growth and why they experience growth during the early stages of business existence. The strategic stimulus to economic development in Schumpeter's (1949) analysis is innovation which can occur at any stage in business growth.

5.4.2 Implication to Practice and Industry

The findings add to the growth of better theoretical models and point the way towards further research. This is important for practitioners and researchers in women enterprise development, those growing the body of knowledge on the link between growth parameters for enterprises and innovation strategies. This study concluded that enterprises run by women were employing growth strategies based on entrepreneurship and innovation and this is important for further research on innovation strategies by women. Women motivation to business is different due to the entrepreneurship events and motivation for participation in business development.

5.4.3 Implication to Policy Development

The findings are important to policy makers to promote favorable laws which support women enterprise development. The findings indicate that women entrepreneurs do not have access to business training that lead to increased entrepreneurial abilities. The government needs should lead in efforts to undertake and fund such research to produce potential commercially viable ideas. This will ultimately encourage and accelerate innovation and economic growth. Access to government incentives, support and assistance is paramount for the growth of these firm's market share. The study shows that most enterprises need a favorable business environment to drive; particularly in marketing, access to finance and business skills.

5.5 Recommendation of the Study

The study recommends that women entrepreneurs need entrepreneurship training on the necessity of innovation as a key attribute of competitiveness and growth. This is due to the fact that majority of the women entrepreneurs in the study were operating small enterprises that had not been existence for long and that could benefit in their stages of growth. By acquiring the knowledge on the importance of innovation of products and markets, their enterprises will realize growth. The study also recommends increased support and assistance by the government through offering incentives to women owned start-ups and ensuring good policies are in place that do not put them at a disadvantage with other large firms.

5.6 Limitations of the Study

For the purpose of this study limitations were indicated as the factors that arose and had a contribution to any inadequate data that the researcher got. This means that the responses would have been marginally different had this factors been different. They also seem different from the expectation of the researcher. These included: The respondents were only female enterprise owners which could have led to methodological bias based on the tools employed. No empirical data was gathered from male business owners that could have allowed for comparisons. The study also focused on registered enterprises. Gathering data from unregistered enterprises particularly those that start the process after the business shows significant growth could also explain the role on innovation into this growth. All respondents were owners to the enterprises. The responses would have varied significantly were the same questions addressed to employees in enterprises. Involving employees in the research could give a different view since they offer support to the growth of the firm and their information could show whether there is actual implementation of the innovation strategies specified by their employers.

5.7 Areas of further studies

This study has led to identification of various areas for further studies to broaden knowledge on women-owned enterprises and how they benefit from entrepreneurship and innovation. The researcher suggests that further research should be done on the challenges

faced in adopting the innovative strategies hence hindering their effectiveness in response to increased competition. Further studies can also be conducted on the contribution of men in the growth of female owned enterprises with many enterprises having male co-owners and male investors. This will analyze whether support women get from spouses, co-owners or even mentors build their entrepreneurial traits and innovation for the growth of their enterprises. This study also suggests that further studies can be carried out on relationship between the success of women owned enterprises and social change in the communities that they operate in.

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APPENDIX I

LETTER OF INTRODUCTION TO THE RESPONDENTS

Susan Kanini Njeru,
University of Nairobi,
P.O Box 30197,
Nairobi.

Dear respondent,

RE: DATA COLLECTION

I am a post graduate student in the school of business, at the University of Nairobi. I am carrying out a research on the role of entrepreneurship and innovation in growth of women owned enterprises in Nairobi county. You have been carefully selected to participate in this research. Please assist me in this venture by completing the attached questionnaire. The information you provide will be treated with utmost confidentiality and it will be used for the purpose of this study only. Your assistance towards this is highly appreciated.

Yours faithfully,

Susan Kanini Njeru,
University of Nairobi

APPENDIX II

QUESTIONNAIRE

This questionnaire is designed to collect data on the role of entrepreneurship and innovation in growth of developing economies, in particular women owned enterprises in Nairobi county. The data collected shall be used for academic purpose only, and thus shall be treated confidentially. Your participation in facilitating this study is highly appreciated. Kindly answer the following questions by ticking in the appropriate box.

PART 1: Background Information

1. Name of the firm (optional).....

2. How long has the business been in existence?

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> 1 – 5 years | <input type="checkbox"/> 6 – 10 years |
| <input type="checkbox"/> 11 – 15 years | <input type="checkbox"/> 16-20 years |
| <input type="checkbox"/> More than 20 years | |

3. What is the legal business ownership of this firm?

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Sole trader | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Private limited company | |

Any other (specify).....

4. How many employees work in this firm?

- | | |
|---------------------------------------|----------------------------------|
| <input type="checkbox"/> Less than 10 | <input type="checkbox"/> 11 - 20 |
| <input type="checkbox"/> 20 – 30 | <input type="checkbox"/> 30 - 40 |
| <input type="checkbox"/> 40 - 50 | |

5. What is the estimated value of your business assets?

- | | |
|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> Less than 1M | <input type="checkbox"/> 1M – 3M |
| <input type="checkbox"/> 3M – 5M | <input type="checkbox"/> More than 5M |

PART 2: SMES GROWTH PARAMETERS THAT AFFECT GROWTH OF ENTERPRISES

6. Employment created and total sales are the most common indicators of firm growth used in empirical analysis. Kindly provide on the table below the indicators of growth for your firm for the year 2016 - 2020.

	2016	2017	2018	2019	2020
Sales in ksh					
No of employees					

7. Majority of the parameters that enhance growth of female owned businesses are listed below. Read carefully each of them, make an evaluation basing them on how you run your enterprise and then put a tick mark under the choices you pick below.

5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

ITEM	Agreement scale				
	1	2	3	4	5
Economic parameters					
Financial institutions and other lending institutions have given me access to micro-credit enough to run my enterprise.					
I face no major challenges while marketing my products					
Different business trainings have been made accessible to me					
The premises I use for my business is mine					
There is a lot of information that I get that helps me exploit business opportunities					
My managerial skills are excellent					
Technologies used in my enterprise are easily accessible					

I face no stiff competition in the course of my business					
There is adequate infrastructures available in the location I work in					
Raw materials and other business inputs are easily accessible					
Social business environment					
I am highly sociable					
I have grown major networks with people outside my business					
I do not discriminate my customers					
There is positive attitude towards my services/ goods by the society					
All my staff members have a positive attitude towards my business					
There are no conflicting gender roles in my society					
I do not face any cultural influences in the course of my business					
Gender inequalities do not affect how I run my enterprise					
Legal and administrative issues					
Government bodies have accorded me the necessary business assistance and support					
Policy makers are accessible in my area					
I do not need collateral or other titled assets to acquire finances from the banks					

Micro finances and other lending institutions give reasonable interest rates					
I have been benefiting from government incentives					

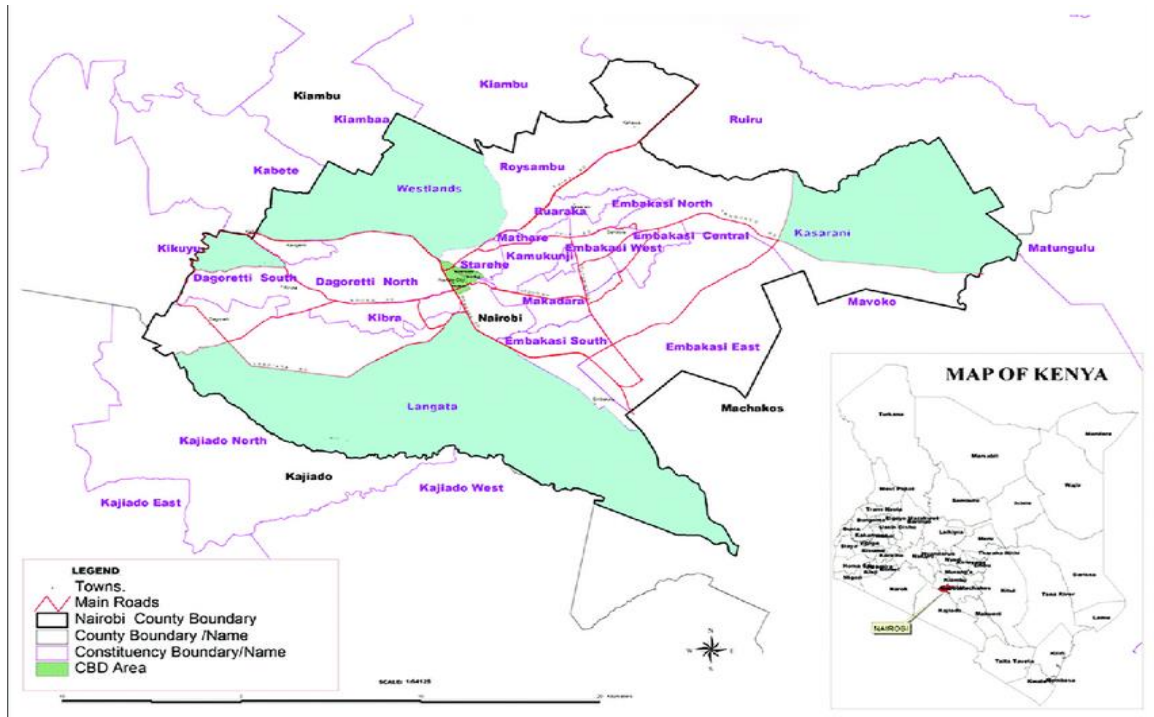
PART 3: Innovative strategies adopted by the firm

8. How would you attribute the growth of your firm with the innovation strategies in the agreement scale below?

5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

ITEM	Agreement scale				
	1	2	3	4	5
Technological innovation					
Product innovation					
Process innovation					
Marketing innovation					

Map of Nairobi County



Thank you for your cooperation

APPENDIX VII : TURNITIN REPORT.

Appendix VII : Turnitin Report. (SUSAN KANINI)



07/12/2021



6TH DECEMBER 2021.

ENTREPRENEURSHIP, INNOVATION AND GROWTH OF WOMEN-OWNED ENTERPRISES IN NAIROBI CITY COUNTY

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