

**FACTORS INFLUENCING PARTICIPATION OF MEDIUM, SMALL AND  
MICRO ENTERPRISES IN BUSINESS PLAN COMPETITIONS: A  
SURVEY OF JITHADA AND CHORA BIZNA PROJECTS**

**PAUL KIUMBE MBURU**

**UNIVERSITY OF NAIROBI**

**A Research Project Report Submitted in Partial Fulfillment of the  
Requirements For the Award of The Degree of Master of Arts in Project  
Planning and Management of the University of Nairobi.**

**2010**



## DECLARATION

This research project report is my original work and has not been presented for an academic award in any other university.

Signature:  \_\_\_\_\_

Date: 26/8/2010

Name: PAUL KIUMBE MBURI

REG. NO. I.50/71305/2009

This research project report has been submitted with our approval as the university supervisor

Dr. Onondi Bowa

Lecturer,

Department of Extra Mural Studies

University of Nairobi

Signature:  .....

Date: 26/8/2010

## **DEDICATION**

This research project is dedicated to wife Dorcas, my daughter Abby and my late mother, Mary Wambui for their ever continued encouragement to do all my best even when the going was very tough.

## ACKNOWLEDGMENT

My gratitude goes to all those who have contributed to the successful completion of this project. I wish to record my sincere and special appreciation to the following; my supervisor Dr. Omondi Bowa, my lecturers Mr. Levi Masteshe and Dr. Lucy Muthoni who provided guidance, encouragement and constructive criticism in a most considerate and timely manner.

I wish to thank the District Trade Officer – Nyeri and the project team of Jitahada and Chora Bizna for giving relevant information in a most sincere and frank manner.

I wish to appreciate my colleagues in the MA PPM Nyeri class of 2009-2010 for their great support, understanding and companionship throughout my studies.

## LIST OF TABLES

Table 3.3.1:	Population Frame.....	21
Table 3.4.1:	Sample Size.....	22
Table 3.8.1:	Operational definition of variables.....	24
Table 4.1:	Response rate.....	26
Table 4.2:	Gender of Entrepreneurs.....	27
Table 4.3:	Level of Education.....	28
Table 4.4:	Experience of Entrepreneurs.....	29
Table 4.5:	Respondents Participation in Business Plan Competitions.....	30
Table 4.6:	Attractiveness of Prizes in Business Plan Competitions.....	30
Table 4.7:	Types of Prizes.....	31
Table 4.8:	Influence of Attractiveness of Prizes.....	32
Table 4.9:	Relationship between Attractiveness of Prizes and Participation.....	33
Table 4.10:	Sources of Awareness.....	34
Table 4.11:	Awareness of Participation in Business Plan Competitions.....	35
Table 4.12:	Influence of Awareness on Participation.....	36
Table 4.13:	Awareness of Participation in Business Plan Competitions.....	37
Table 4.14:	Training.....	38
Table 4.15:	Sources of Business Plan Writing Skills.....	38
Table 4.16:	Competence in Business Plan Writing Skills.....	39

<b>Table 4.17</b>	<b>Influence of Competence in Business Plan Writing Skills.....</b>	<b>40</b>
<b>Table 4.18:</b>	<b>Competence and Participation in Business Plan Competitions.....</b>	<b>40</b>
<b>Table 4.19</b>	<b>Attitude towards Participation in Business Plan Writing Skills.....</b>	<b>41</b>
<b>Table 4.20</b>	<b>Willingness to Participate in Business Plan Competitions.....</b>	<b>42</b>
<b>Table 4.21:</b>	<b>Influence of attitude on Participating in Business Plan Competitions.....</b>	<b>43</b>
<b>Table 4.22:</b>	<b>Relationship between Attitude and Participation.....</b>	<b>44</b>

## LIST OF FIGURES

Figure 2.2.1 Expectancy Theory.....	13
Figure 2.6.1 Conceptual Framework.....	19

## **ABBREVIATIONS AND ACRONYMS**

<b>BPC's</b>	:	<b>Business Plan Competitions</b>
<b>JKUAT</b>		<b>Jomo Kenyatta University of Agriculture and Technology</b>
<b>KIM</b>		<b>Kenya Institute of Management</b>
<b>MOI</b>	:	<b>Ministry of Industrialization</b>
<b>MOYA</b>	:	<b>Ministry of Youth Affairs</b>
<b>MSME's</b>		<b>Micro Small and Medium Enterprises</b>
<b>SMEs</b>	=	<b>Small and Micro Enterprises</b>
<b>SPSS</b>	=	<b>Statistical Packages for Social Scientists</b>



## ABSTRACT

The Government of Kenya has over the recent five years been running Business Plan Competitions. These initiatives have been aimed at identifying growth oriented and innovative business ideas that can be nurtured into viable and sustainable enterprises. The initiatives dubbed Jitihada and Chora Bizna have been marked by poor participation by the targeted MSME's. Since participation is key to success of such interventions, the researcher was prompted to investigate the factors influencing the participation of MSME's in these initiatives in Nyeri Municipality.

This study is based on Vrooms (1964) expectancy theory that states that work effort by individuals is dependent on the outcomes that they expected. It is also based on Leon Feistinger's theory of cognitive dissonance that suggested that attitudes shape people's behavior, action and judgment.

This is a descriptive study. A sample of 92 MSME's representing 30% of the population was selected through stratified random sampling procedure. Qualitative and quantitative data was collected using questionnaires consisting of both open and close ended questions. Data was analyzed by SPSS package using mean, standard deviation, frequency distribution and correlation techniques so as to draw out the strength of relationship between variables. All the statistical analysis was carried out at the 0.5 level of significance. One of the major findings of this study was that participation in the recent Business Plan Competition was very low which hindered the intended deliverables. The attitude of entrepreneurs and their competence were found out to be most influential on the level of participation. This study therefore recommended that the project managers of these initiatives should invest in training and change of attitude.

## TABLE OF CONTENTS

DECLARATION .....	..II
DEDICATION .....	..III
ACKNOWLEDGEMENT .....	..IV
LIST OF TABLES .....	..V
LIST OF FIGURES .....	..VI
ABBREVIATIONS AND ACRONYMS .....	..VII
EXECUTIVE SUMMARY .....	..VIII
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Background of the study .....	..1
1.2 Statement of the problem .....	..5
1.3 Objectives of the study .....	..6
1.4 Research Questions .....	..6
1.5 Significance of the Study .....	..7
1.6 Limitations of the Study .....	..7
1.7 Scope of the Study .....	..8
1.8 Assumptions of the Study .....	..8
1.9 Definition of significant terms .....	..9
<b>CHAPTER TWO: LITERATURE REVIEW</b>	
2.0 Introduction .....	..10
2.1 Overview of Government Initiatives .....	..10
2.2 Prizes and Participation in Government Entrepreneurial Initiatives .....	..11
2.3 Awareness and Participation in Government Entrepreneurial Initiatives .....	..14
2.4 Competence and Participation in Government Entrepreneurial Initiatives .....	..16
2.5 Attitude and Participation in Government Entrepreneurial Initiatives .....	..18

2.6	Conceptual Framework .....	20
2.7	Theoretical Framework.....	21
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b>		
3.1	Introduction.....	22
3.2	Research Design.....	22
3.3	Target Population.....	22
3.4	Sample Size and Sampling Techniques.....	23
3.5	Data Collection Instruments.....	23
3.6	Data Collection Procedures.....	23
3.7	Validity of Instruments.....	24
3.8	Reliability of Instruments.....	24
3.9	Operational Definition of Variables.....	25
3.10	Data Analysis.....	26
<b>CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION</b>		
4.1	Introduction.....	27
4.2	Response rate.....	27
4.3	Gender of Entrepreneurs.....	28
4.4	Education Level of Entrepreneurs.....	28
4.5	Experience of Entrepreneurs.....	29
4.6	Participation in Business Plan Competitions.....	30
4.7	Attractiveness of Prizes in Business Plan Competitions.....	30
4.8	Types of Prizes.....	31
4.9	Influence of Attractiveness of Prizes.....	32
4.10	Relationship between Attractiveness of Prizes and Participation.....	33
4.11	Sources of Awareness.....	34

4.12	Level of Awareness and Participation in Business Plan Competitions.....	35
4.13	Influence of Awareness and Participation in Business Plan Competitions .....	36
4.14	Relationship between level of Awareness and Participation in Business Plan Competitions.....	37
4.15	Training.....	38
4.16	Sources of Business Plan Writing Skills.....	38
4.17	Competence in Business Plan Writing Skills.....	39
4.18	Influence of Competence in Business Plan Writing Skills.....	39
4.19	Relationship between Competence and Participation in Business Plan Competitions.....	40
4.20	Attitude towards Business Plan Competitions.....	41
4.21	Willingness to Participate in Business Plan Competitions.....	42
4.22	Influence of Attitude on Participating in Business Plan Competitions.....	43
4.23	Relationship between Attitude and Participation.....	44

**CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND  
RECOMMENDATIONS**

5.1	Introduction.....	45
5.2	Discussion of the results.....	45
5.2.1	Participation in Business Plan Competitions.....	45
5.2.2	Prizes offered in Business Plan Competitions.....	46
5.2.3	Awareness of Business Plan Competitions.....	46
5.2.4	Competence in Business Plan Writing Skills.....	46
5.2.5	Attitude and participation in Business Plan Competitions.....	47

5.3 Conclusions.....48  
5.4 Recommendations.....18  
5.5 Suggestions for further research.....48

REFERENCES..... 48

**APPENDICES**

- Appendix 1 Letter of introduction
- Appendix 2. Questionnaire
- Appendix 3. Schedule of Activities for the research
- Appendix 4. Research Budget

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study.

There has been heightened competition in the entrepreneurial initiatives in the world. In the United States of America, winning a business plan contest is a major achievement. A committee chooses the best teams from among thousands of entries. For each, dozens of judges, most of them investors and business experts read their business plans, ask them questions and choose one as finalist from each track. To win the first prize, the entrepreneur has to convince the judges that the business idea has a realistic chance, defensibility against competition, technology, ownership and an excellent management team (Berry, 2010).

The business plan competitions are organized by various leading business schools such as University of Texas, University of Arkansas, Rice Alliance for Technology and Entrepreneurship, UC Berkeley which has continued to evolve as the nation's foremost business plan competition through mentoring and networking available, there has been continued rise in the participation and levels of competition.

According to Brad Burke, the managing director of Rice Alliance for Technology and Entrepreneurship, more than 70% of 2009 targeted entrepreneurs participated and the winners had gone on to successfully launch their companies, raise funding and build their businesses. (Entrepreneur.com). The UC Berkeley Business plan competition was founded in 1999 and has continued to evolve as a leading event and nations foremost business plan competitions. It gives students, alumni and local entrepreneurs the opportunity to work together to turn innovative ideas into businesses.

South Africa's Business Plan Competitions offer startup capital for winners. Supported by FNB, Enablis Entrepreneurial Network and the Small Enterprise Development Agency, the competitions are aimed at promoting entrepreneurship by unearthing the best business ideas and fast tracking their growth. According to Martin Feistein, the Director of Launch Pad, working capital is the lifeblood of a business, yet thousands entrepreneurs who have great viable ideas struggle to get their business off, because they could not get funding, or the cost of funding was too high.

Following nationwide searches, winners are selected to present their idea to panels of local and international experts.

Winners are announced and receive funding, laptops, cell phones, software and business training. Business categories in which one may enter the competition included manufacturing, construction, agriculture, tourism, transport, logistics media, marketing and professional services. In 2008, the competition also addressed entrepreneurship gaps in particular sectors. Spier Earth Capital donated 10million Rand towards the total prize money for 'green business ideas' that address key perspectives in environmental conservation.

The Panasa Business Plan competition is boosted by Falcone Centre for Entrepreneurship in the Whiteman school of Management. While there were many steps involved in translating great ideas into great business plan, a business plan may address the uncertainties surrounding the many decisions an entrepreneur has to make about his business. Falcone Centre offers special sessions with partner accounting and law firms and occasionally hosts sessions with experts on subjects such as intellectual property and presenting financial statements. Prize money is awarded to the top three teams whose how venture ideas represent the potential for growth and for attracting outside financing. All ideas must be successfully communicated and presented to the independent panel of judges (Martin J 2007).

Believe, Begin, Become is a business Plan competition developed by Technoserve to support and grow new businesses in Africa. It is an incentivized, practical training and business development programme to help entrepreneurs turn their ideas into fundable business plans. The programme is run in South Africa, Ghana, Tanzania and Swaziland. The programme is aimed at giving enterprising men and women training and resources they need to launch or expand businesses, while fostering a broader culture of entrepreneurship within their country.

This programme is based on a similar one that was established in Latin America in 2002 and currently runs in Chile, Colombia, El Salvador, Guatemala, Honduras, Nicaragua and Peru. It catalyzes the creation and expansion of profitable and competitive small and medium scale (SME) enterprises – a vital engine of growth, jobs and income in the developing world.

They also create a vehicle for local financial institutions to provide access to capital and build momentum for SME development, spurring government to action. In 2007 Believe, Begin Become received over 6300 applications, trained 395 entrepreneurs and awarded 64 entrepreneurs with seed money and business development services. These programmes, although locally branded to maximize visibility and impact, collaborate extensively with local and regional corporations and foundations. Professional mentorship and partnerships are integral to the success of the competitions.

Entrepreneurial initiatives are the purposeful activities to create value through recognition of business opportunities and mobilization of human, material and financial resources necessary to bring a project to fruition. Entrepreneurial development should give a definite upsurge to the economic growth of a nation. Entrepreneurs explore opportunities, scan the environment, mobilize resources, convert ideas into viable business proposition and provide new products and services to the society (MOT 2010)

Over the recent past, the government of Kenya through the Ministries of Industrialization and Ministry of Youth Affairs has been running entrepreneurial development programmes as nationwide initiatives. The competitions seek to identify growth oriented and innovative business ideas that can be nurtured into viable and sustainable enterprises. These initiatives have been implemented by partner consortium consisting Kenya Institute of Management (KIM), Techno serve Kenya, JKUAT and the World Bank, have been dubbed Jitihada and Chora Bizna and have invited and engaged entrepreneurs in training Alumni development, prize winning, financing and mentoring.

In the last decade, there has been a dramatic increase in the number and scope of government entrepreneurial development initiatives at regional and national levels (MOT 2009). Jitihada and Chora Bizna are brand names for the Kenya National Business Plan Competitions running for a period of 12 months. They are sub-components of the Micro, Small and Medium Enterprises (MSME) competitiveness of Ministry of Industrialization and the Ministry of Youth Affairs. They are funded by the World Bank with a primary aim to increase productivity and employment in the participating entrepreneurship in Kenya.



The programmes are implemented by a three partner consortium consisting Kenya Institute of Management (KIM) Techno serve Kenya, JKUAT and the Jomo Kenyatta University of Agriculture and Technology. Entrepreneurs are invited to apply for participation after which applications are screened and the business ideas evaluated. Training is conducted at the provincial level such that they refine their ideas into business plans. The top 40 of the entries from each of the eight provinces proceed to the next level of the competition.

Entrepreneurs of the selected entries receive a variety of business development services through training and seminars. They are trained in entrepreneurship and industry. They also receive individual mentoring to build their business plan helping them to compete at the provincial level. Judging at this level is done by a panel from the private sector and a written feedback is provided to the participants. 40 best entries are selected and receive awards at the provincial level to proceed to the national level. At the national level additional support based on the feedback received at the provincial stage is provided to assist entrepreneurs to develop winning business plans. The 40 finalists, five from each of the eight provinces are evaluated and awards given to the best 3. The top entrepreneur receives a prize of Kshs. 1 million, the second best and the third gets Kshs. 750,000 and Kshs. 500,000 respectively. A special award of Kshs. 250,000 each is given to the best woman entrepreneur and the social entrepreneur.

A range of after care services including linkage to financial institutions, incubation, business development services is given to the 40 finalists. Follow up on participants to assess impact in terms of business income, growth in assets, employment creation, loan application and repayment is done. Each entrepreneur is paired with a mentor who is a business executive, entrepreneur investor, consultant or someone else who can provide advice on how the entrepreneur writes his business plan. This is meant give the entrepreneurs hands on experience and contacts that contestants gain from through mentorship experience.

The judging criteria apply to the executive summary as well as the final business plan and presentation stages of the competition. Judges evaluate the plans based on their likelihood of actually becoming the basis of a viable business.

The consideration includes such factors as the degree of creativity and innovation embodied on the basic opportunity, definition of the business concept, the appropriateness of the plan and the contestant's ability to implement the plan.

Judges make further distinctions based on the potential of the business to create value although they are explicitly instructed not to use the typically very high venture capitalists hurdle for absolute scale for the business. This is meant to preserve the opportunity for small scale entrepreneurs who might not require much capital and thus would typically be uninteresting to traditional venture funds. There are separate judging criteria for social entrepreneurship and women entrepreneurship tracks (MOI 2009).

## 1.2 Statement of the problem

The level of participation in competitions, contests and sweepstakes is a key element to their success (Xueming 2006). Business Plan Competitions are aimed at giving an upsurge in the economic growth of a nation. (MOI 2010). According to (Kotler 1954) a high number of entries helps judges to select the best entry.

According to the International Journal of Behaviour May 2009, a participation level below 50% greatly influences the success of any intervention negatively. This insight is essential to develop tailored intervention programmes to reach those who need it most and to increase generalisability across all participants. (Churchill 1982). The level of participation in the public business plan competitions has been very low (MOYA 2009). The highest enrollment in these initiatives has recorded as 23% of the registered MSMIs. This level of entry has been considered as one of the greatest influences the success of business plan competitions in bringing the ideas into fruition and nurture them to viable and sustainable enterprises. The intensity of efforts in human behavior is a product of several factors (Vroom 1964).

It is therefore possible that the level of participation could be influenced by such factors as the attractiveness of prizes offered their level of awareness, their competencies in the entry requirements and their attitude towards these initiatives. There has been no independent study regarding the factors influencing the participation in Business Plan Competitions.

Therefore this study set out to assess factors influencing participation in Business Plan Competitions.

### **1.3 Research Objectives**

The specific objectives of this study were;

To determine the extent to which prizes awarded affect the participation of MSMEs in the Business Plan Competitions.

1. To determine the extent to which prizes awarded affect the participation of MSMEs in the Business Plan Competitions.
2. To investigate the extent to which the level of awareness influences the participation of MSMEs in Business Plan Competitions.
3. To assess the level of influence of competences of MSMEs in participation of Business Plan Competitions.
4. To establish the extent to which the attitude of MSMEs towards Business Plan Competitions affect their participation.
5. To investigate the extent to which personal characteristics influence participation of MSMEs in Business Plan Competitions.

### **1.4 Research questions.**

The study sought to answer the following questions

1. To what extent does the attractiveness of prizes awarded influence participation in Business Plan Competitions?
2. How does awareness influence the participation in Business Plan Competitions?
3. What is the effect of competences in participation in Business Plan Competitions?
4. To what extent does attitude influence participation in Business Plan Competitions?
5. What is the effect of personal characteristics of entrepreneurs on participation in Business Plan Competitions?

### **1.5 Significance of the study.**

Participation in Business Plan Competitions is of substantive value in that it leads to the promotion of innovations especially where a wide variety of people participate. The benefits to the participants therefore go beyond making contacts with other competitors. Entrepreneurs reap benefits such as financing from venture capitalists. They are linked to financial institutions incubated and offered business development services. Participants are mentored on how to access the business in terms of its growth in income, assets, employment creation and sourcing of capital.

The findings of this study would therefore assist the government and all the project managers on how to improve participation in the Business Plan Competitions. This study's finding adds to the body of knowledge that is already in existence. It is of benefit to other researchers who may have interests in related areas of study. It is also of significant use to the sponsors, organizers of future initiatives and entrepreneurs contemplating to join future programmes. It is finally of great use to the government particularly through its ministries involved in the organization of these and similar interventions.

There has not been any independent research done in Nyeri Municipality on the participation in Business Plan Competitions but project managers in this field advocate for judging process, evaluation of submitted documents, criteria and awards. The consortiums have been keen on only strictly adhering to regulations laid down such as deadlines, non-disclosure spirits and terms and conditions of the winner's agreement.

### **1.6 Limitations of the study.**

The main limitations of this study was that some entrepreneurs were unwilling to cooperate with the researcher for the purposes of data collection. In some cases, the owners of the enterprises were unavailable at their premises. Some questionnaires were misplaced while some were returned unfilled.

### **1.7 Scope of the study.**

The study was limited to 310 registered MSMEs under the Ministry of Trade and operating in Nyeri Municipality. It was carried out during the period of between May and July 2010. It concentrated on the factors that influence the participation of MSMEs in Business Plan Competitions.

### **1.8 Assumptions of the study.**

The researcher assumed that the enterprises selected for the study would cooperate during collection of the necessary information or data, and the respondents would answer questions correctly and truthfully.

## 1.9 Definition of Significant Terms

MSMEs	:	Any Business enterprise operating after registration with Ministry Trade as an MSMEs.
Participation	:	Fulfillment of entry requirements such as filling an entry form and submission of the same for judgment.
Government (Public) entrepreneurial initiatives	:	Any interventions organized by the government for the purpose of increasing entrepreneurial activities.
Entrepreneur	:	Any owner of a business registered as an MSMEs with the Ministry of Trade.
Prize	:	Any offer to be won after participating successfully in a competition.
Awareness	:	Publicity aimed at informing and influencing entrepreneurs towards participation in a competition.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter reviews available literature related to the factors influencing the participation in government entrepreneurial activities and serves as the critical background of the study. The reviewed literature focuses on prizes as a motivational factor, awareness, competencies and attitudes and how they affect entrepreneurs in their participation in BPCs. It includes details of past studies, conclusion and gaps to be filled by this study explaining how the findings contribute to additional knowledge to participation in Business Plan Competitions.

#### 2.1 Overview of Business Plan Competitions.

The Sessional Paper No. 2 of 1992 acknowledges that there is a few numbers of local enterprises. This has been attributed to lack of role models particularly among the indigenous Kenyan population. It concludes that entrepreneurial base is small and there is need to develop entrepreneurship capability on a large scale than increasing the number of people who can become entrepreneurs. In addition the paper stresses that many entrepreneurs were either unfamiliar with or unaware of available technologies and have no way of gaining the appropriateness of technologies.

Empirical studies linking education and training to entrepreneurial success have had mixed and contradictory results. One of the ways of reconciling the contradictory results is to develop the concept of entrepreneurial competence. Education training, work experience, apprenticeship, overseas visits, contests and other capital development initiatives were relevant for entrepreneurial initiatives.

African entrepreneurs experience serious difficulties in developing and sustaining effective organization arrangements as the grow business from the informal to informal, when it faces external threats such as technology and fluctuations in the political or microenvironment during

succession or when facing regional or global competition. This affects mobilization,

organization, utilization protection and development of resources as well as keeping in place the strategic corporate governance and sustenance of beneficial global networks and clusters (Hasper 1994) a part from lack of start-up capital human capacity to run complex organizations is to blame for the domination of Kenya's business scene by majority entrepreneurs.

A study by the world Bank in 1994 reports that entrepreneurs of Asian origin dominate Kenya's business scene to higher level of African entrepreneurial development blames differences in the technical and managerial and variation in motivational mechanisms that drive entrepreneurs for Africa's relative stagnation.

Besides the low level of formal education, lack of professional networks, foreign connections and significant collateralisable assets and limited access to formal and informal finance were major barriers to the progress of African Traders. Abuodha (1989). Ngethe (1987) found that initial investment in the informal sector is financed by personal savings which accounted for an average of 80% while the remaining 20% is financed by friends, relatives, retirement and terminal benefits and transfers.

## **2.2. Prizes and participation in Business Plan Competitions.**

Prizes are offers of a chance to win cash, trips or merchandise as a result of successful participation in something. Kotler (1994). It calls for consumers to participate by submitting an entry form to be examined by a panel of judges who is select the best entries. Prizes as a sale promotion seems most effective combined with advertising. In one study, a prize promotion alone produced a 15% increase in sales volume increased by 19%; when combined with feature advertising and point of purchase display sales volume increased by 24% (Symcuse 2007).



According to Engel (1994) promotional activities that involve consumers and advertising and merchandising activities of the manufacturer by gaining their participation in games of skill or chance were usually known as contests or sweepstakes. In comparison to other means of sales promotion and they were considered as the strongest premium offer (in pack) and stronger than the weakest premium offer, (self liquidating).

A contest requires that the participant apply a skill in creating an idea a concept or an end product. Concepts were based on suggest the best name for a new product.<sup>2</sup> They have advantages that range from their ability to gain a high degree of consumer involvement in the manufacturers advertising programme. In addition they can help to gain support from resellers and often add excitement or interest to a lagging product or advertising theme.

A well conceived and well run contest can have major benefit to the marketer. Kotler (1988). It helps in generating awareness and support for local stores increasingly popular vehicles for increasing consumer loyalty and creating excitement in the market place. The growing social acceptance and popularity of state lotteries get credit for a lot of 'contest fever'. Whenever somebody wins, it makes people who have never won anything to think twice. The winners were glamorized on television. Society is telling us its' okay to participate (Scott 1976).

Companies often choose prizes for their promotional sweepstakes that tie in with their products. A product that is marketed as complete household deans may have a contest of giving away a free house. Thousands enter sweepstakes but few were big winners. They were less expensive than giving stores straight cash merchandising allowances. Some prizes that have commercial tie in pins promoting a specific outline were special bargains. Contests should be handled with great care in planning, testing and implementation. Work effort is directed towards behaviors that people believe is lead to desired outcomes (Vroom II 1964). The expectancy Theory predicts the intensity of a person's effort. An individual's effort levels depends on three factors, effort to performance, expectancy performance to outcome valences. Motivational of employees is influenced by all the three components of the expectancy theory model. If any component weakens, motivation weakens.

**E to P expectancy** – this refers to the individuals' perception that his/her effort is result in a particular level of performance. In some situations they believe they can unquestionably accomplish a task. In other situations they expect that even the highest level of effort is not result in the desired performance level. In most cases E to P expectancy falls between those two extremes of probably 0 – 1.

**P to O expectancy** is the perceived probability that a specific behavior or performance level is lead to particular outcome. In extreme individuals may believe that accomplishing a task performance is definitely result to a particular outcome (a probability of 1.0) or they may believe that this outcome is have no effect on successful performance a probability of 0.0) more often P-O expectancy falls somewhere between these two extremes.

**Outcome valences** are the anticipated satisfaction or dissatisfaction that an individual feels towards an outcome. It ranges from negative to positive. The actual range doesn't matter. The outcome valence represents a person's anticipated satisfaction with the outcome. Outcomes have a positive valence when they were consistent with our values and satisfy our needs. They have a negative valence when they oppose our values and inhibit need fulfillment. Nadler (1983).

**E to P expectancies** are influenced by the individuals belief that he/she can successfully complete a task. Some organizations increase this can do attitude by assuring employees that they have the necessary competencies, clear role perception and the necessary resources to reach desired performance. Similarly, these expectancies were learned, so behavioral modeling and supportive feedback (positive reinforcement) typically strengthens employee self confidence. Zeelenberg (1998).

The most obvious ways to improve P to O expectancies were to measure employee performance accurately and distribute more valued rewards to those with higher job performance. Performance outcomes influence work effort only when they were valued by employees. To improve the valence of outcome managers need to individualize rewards (Hill 2008).

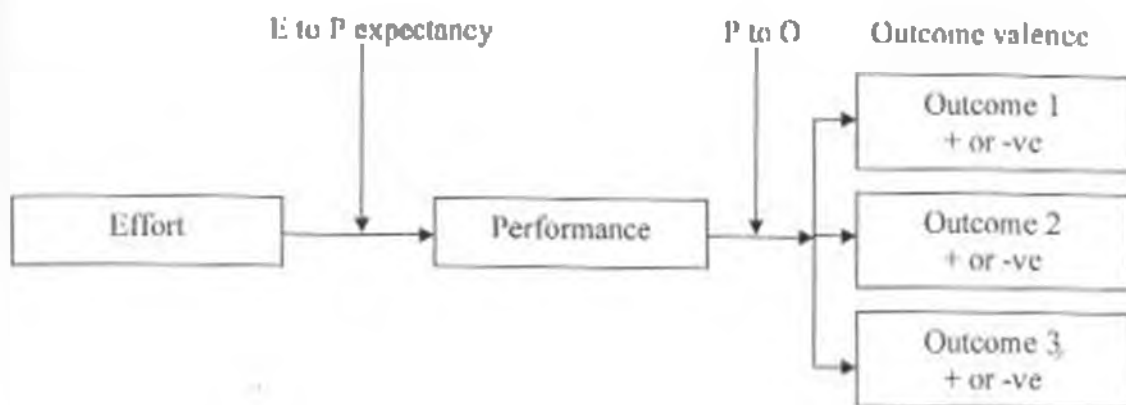


Figure 2.2.1 The expectancy theory. Source (Ambrose, 1990)

Expectancy theory remains one of the best theories for predicting work effort and motivation. In particular, it plays a valuable role by detailing a person's thinking process when translating the competing demands of the four drives into specific effort. It has been applied wisely in a variety of studies such as predicting student motivation to participate in teaching evaluations using a decision support system, leaving the organization and engaging in organizational citizen behaviors. (Ambrose 1990)

Expectancy Theory predicts employee motivation in different cultures. (Marshi 1979). One limitation is that it ignores the central role of emotion in employee effort and behavior which serve an adaptive function that demands our attention and energizes us to take action. The valence element of expectancy theory captures some of the emotional process but only peripherally. These theories probably need to redesign the expectancy theory model in light of new information about the importance of emotions in motivation and behavior. (Meshane et al 2008).

### 2.3 Awareness and Participation In Business Plan Competitions.

Awareness is brought about through effective communication. (Kotler 2008) Done right, communication can have a huge pay off. According to Julia Chang (2007) a promotion planner should take into account the type of market sales, promotion objectives, competitive conditions

and each tool's cost effectiveness. Marketing communications were the means by which firms attempt to inform, persuade and remind customers, directly or indirectly about the products or services they sell. In a sense, marketing communication represents the "voice" of the company and its brands and was a means by which it can establish a dialogue and build relationships with its consumers.

According to Xueming (2006) awareness through marketing communication also perform many functions for consumers. They can tell or show consumers how and why a product is used, by what kind of a person, where and when. Consumers learn about who makes the product and what the company and brand stands for. They can get an incentive or reward for trial or usage. Publicity is the provision of information designed to further the interests of an individual or organization in such a manner that the media use the information without charge because they deem it of a great interest to their audiences (Dunn, 1986).

The principal types of publicity were business feature articles, new releases, financial news, new product information, background editorial material and emergency publicity. Without the cooperation of the press, however well this material is prepared little information is reach the public. Given the large number of editors, it is no small job for public relations people to keep the information going to the large number of people who controls the flow of publicity. Engel et al (1994).

Fortunately the attitude of the press towards publicity is improving. In the surprise of several experts, a large proportion of editors queried orated that they found 50% of the publicity material received to be valuable for immediate or future use, and more than one fourth of the editors would like to receive more. Kurzband and George (1992) The main avenue of communication with the media is through personal contact with editors, publishers and features writers of the print media including wire services and syndicates and was directors of radio and television stations. By making themselves available to the media, public relations people can increase the opportunities to have their materials printed or broadcasted. On rare occasions they could arrange a press conference for the purpose of announcing something very important such as new product introduction, new pricing policy, a new acquisition or a new chief executive.

## **2.4 Competencies and Participation in Business Plan Competitions.**

Competence is the central way to which individual's works. It fulfills three key criteria; it provides consumer benefits, its not easy for competitors to imitate and it can be leveraged widely to many products and markets. Pattanayak (2008). A core competence can therefore take various forms including technical subject matter knowledge, training level aptitudes and abilities. They provide particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value.

In an organization context, it implies giving an individual a job that he excels in. however, it might not be possible to allocate tasks to individuals at which on excels, but surely we can enhance competence of individuals for specific tasks through well designed training programmes. It is equally important to note the interests of the individual. It is much easier to train an individual in tasks closer to his inherent liking. It is however seen that many managers do not realize the importance of this aspect and would prefer suboptimal performance from an employee rather than spare him for a training or retraining because in the later case the employee would not be available for work during the manager's tenure. What is not appreciated is that without the required competence, an employee would either shrink from the assigned tasks or would do a lovely job. After a while such an employee would attempt recognition through destructive means because he is unable to make a mark as a good performer.

Different skills were required by a number of people which have to be developed quickly to meet her demands and cannot be acquired by relying on experience. Formal training is indeed one of the ways of ensuring that learning takes place but it can be justified when the work requires skills that were best developed by formal instruction. When the tasks required were specialized and complex people were unlikely to master them on their own initiative at a reasonable speed. Training refers to the use of systematic and planned instructions activities to promote learning. Armstrong (2003). It involves the use of formal processes to impart knowledge and help people acquire the skills necessary for them to perform their jobs satisfactorily. Stevenson (2003).

It involves the use of formal process to impart knowledge and help people acquire the skills necessary for them to perform their jobs satisfactorily. Stevenson (2002) points out that training has a complimentary role to play in accelerating learning. It justifies a more directed expert led approach rather than viewing it as a comprehensive and all pervasive people development solution.

Jessop et al (1994) asserts that once training has been accomplished, it must be continuously reinforced through meetings and drills. According to Laurie (1998) training should be viewed as investment in people. This is important at any time but particularly so with the increasing pace of technological structure and social change. Training on for own sake achieves little. It must be real, operational and rewarding. Bates (1976) says that aptitudes and talents were used to describe an individual's potential towards certain levels of behaviors aptitudes and talents tend to be measured in terms of potential achievement in specific types of behavior. Aptitudes and talents were often described as gifts with implication that a gift can be utilized or set aside.

Keirsey (1975) states that abilities refer to the individuals capacity to achieve certain levels of behavior. In this sense, abilities and skills were one and the same dimension of behavior. Intellectual abilities include demonstrable performance with numbers, verbal reasoning and logical reasoning. Physical ability (often just called skills) includes manual dexterity and visual acuity. An understanding of the abilities possessed by job applicants is an important aspect of selection processes. In some cases, it can be assumed with some confidence on the basis of individual records like certificates of relevant educational achievement in a relevant subject. In some cases it may be possible to infer from what candidates divulge during interviews although that more of a question of assessing an individual's aptitude or talent rather than ability or skill.

## 2.5 Attitude and Participation In Business Plan Competitions.

According to Eagly (1993) attitudes are clusters of assessed feelings and behavioral intentions towards a person, object or event. They were judgments whereas emotions were experiences. In other words, attitudes involve conscious logical reasoning whereas emotions operate as events, often without our awareness. We also experience most emotions briefly, while attitudes towards someone or something, is more stable over time.

Individuals attach emotions to incoming information when it is received through our senses or even though we have not consciously thought about it. Parg and Ferguson (2005). These were not calculated feelings they were automatic and unconscious emotional responses based on thin slices of sensory information. These emotions were transmitted to the logical reasoning process where they swirl around and ultimately shape our conscious feelings towards the merger. Damasio (1994). While you logically figure out whether the merger is a good or bad thing, your emotions have already formed an opinion, which then sways your thoughts. If you experience excitement, delight, comfort and other positive emotional episodes it tend make you favorably evaluate the merger. Weiss (1996).

The effect of emotions at workplace has important management implications when employees perform their jobs. They experience a variety of emotions that shape their long term feelings of the company, the boss, the job itself and co workers. The more you experience positive attitudes towards the target of those emotions. Hill and Macshane (2008). According to Robins and Judge (2009), early research on attitudes assumed that they were casually related to behavior that is the attitudes people hold determine what they do. Common sense too, suggests a relationship. Isn't it logical that people watch television programs they like or that employees try to avoid assignments they find distasteful. However, in the late 1960s, this assumed effects of attitudes on behavior is challenged by a review of the research. Wiker (1994). One researcher Leon Festinger argued that attitudes follow behavior.

Research has generally concluded that people seek consistency among their attitudes and between their attitudes and their behavior. Clark et al (2002). While Festinger questioned

attitudes behavior relationship by arguing that in many cases, attitudes follow behavior, other researchers asked whether there is any relationship at all. More recent research shows that attitude predict future behavior and confirmed Festinger's original belief that certain moderating variables can strengthen the link. Glassman and Albarrain (2006).

According to Mullins (2007), there were no limits to the attitudes that people hold. Attitudes were learned through our life and were embodied within our socialization process. Some attitudes may be central to us and may be highly resistant to change whereas others were more peripheral and may change with new information or personal experience. Attitudes provide a state of readiness or tendency to respond in a particular way. Ribeaux and Popeton (1978). Robbins and Countler further assert attitudes are evaluative statements – either favorable or unfavorable concerning people, objects or events. They reflect how an individual feels about something.



## 2.6 Conceptual Framework

There has been a poor turnout in government entrepreneurial development initiatives by micro, small and medium enterprises. This calls sound creation of awareness, motivation to the participants through prizes, improvement of awareness and change of attitudes. The researcher conceptualizes from the review of related literature that Business Plan initiatives will only succeed if more attention is geared towards factors influencing the participation of the entrepreneurs in business plan competitions.

The conceptual framework is shown below.

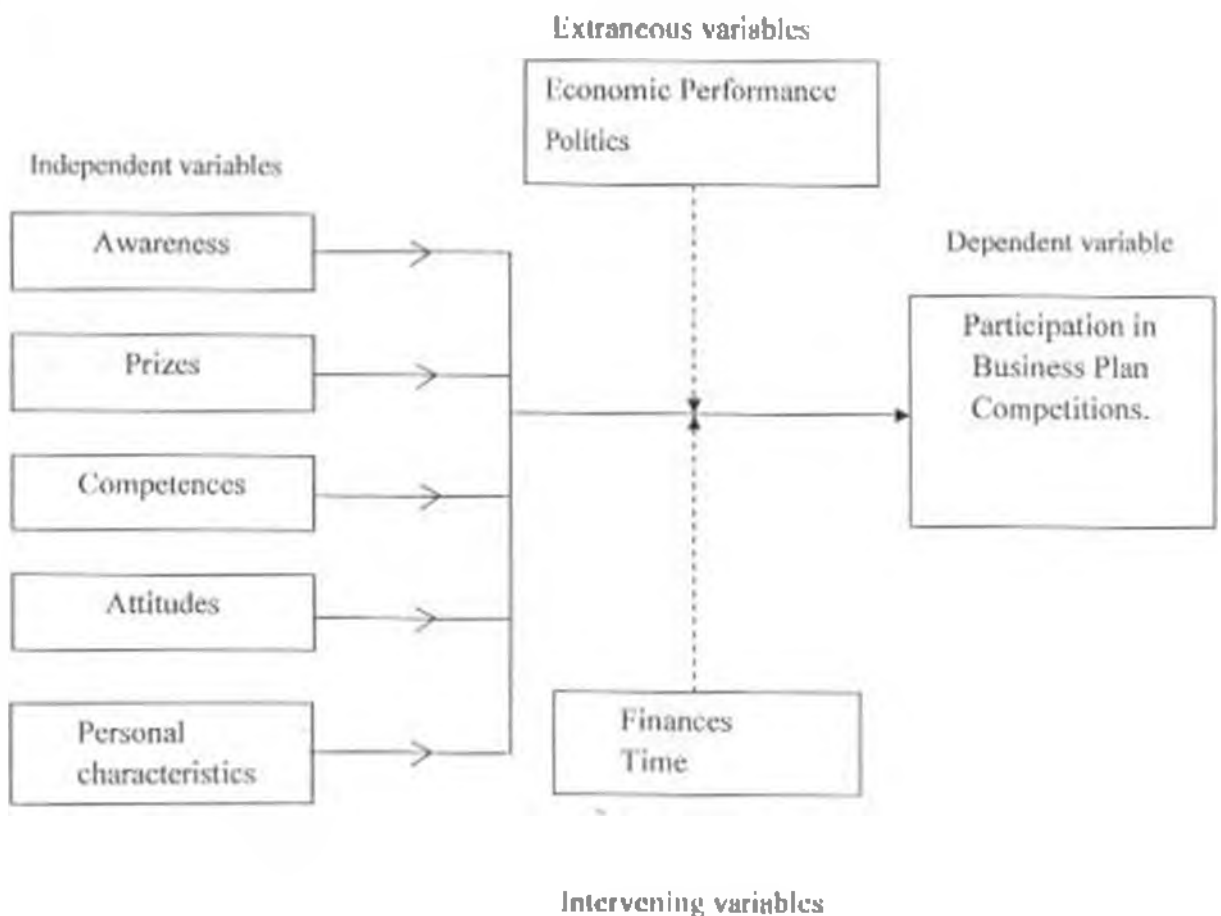


Figure 2.6.1 Conceptual framework

This research conceptualized five major factors influencing participation of entrepreneurs in BPC's. Poor participation in Kenyan BPCs could be as a result of the attractiveness of the prizes offered, attitude of the entrepreneurs, their level of awareness and the level of competence. These factors were therefore conceptualized as the independent variable.

According to literature reviewed, the awareness of entrepreneurs of the BPCs can influence their level of participation. This means that the low participation in BPCs could be a product of how much effectively the project managers publicize the BPCs.

The attractiveness of the prizes awarded is also likely to affect the level of participation. According to the expectancy theory, entrepreneurs who find the prizes attractive are likely to be motivated towards participation.

Participation in BPCs may require skills in writing a business plan which is a requisite by the project organizers. Therefore, entrepreneurs who are more competent in BP skills are more likely to find it easy to participate in the BPCs.

Entrepreneur's attitude towards BPCs is likely to influence their participation in BPCs. Those who find the initiatives important to their businesses are likely to be more willing to participate as opposed to those who have a negative attitude. The personal characteristics of entrepreneurs such as the gender, experience and level of education were also conceptualized to likely influence the participation of entrepreneurs in BPCs.

## **2.7 Theoretical Framework**

This study is based on Expectancy Theory of motivation as developed by Vroom (1964). The theory states that the intensity of a person's effort is a product of expected outcomes. Therefore the expected prizes to be won in business plan competitions is likely to be a motivating factor in the end of participation. It is also based on the theory of Cognitive Dissonance by Leon Festinger (1957). He described the psychological discomfort a person experiences between his or her cognitive attitude and uncomfortable with inconsistency and is therefore seek to reduce the dissonance. He suggested that attitude of people shape their behavior, action and judgments dependent on importance, control and rewards.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction.

This section presents the methodology used in the research. This includes aspects such as the research design, target population, sampling procedure and sample size, data collection methods as well as data analysis techniques used in this study.

#### 3.2 Research Design

The research design is a descriptive survey study. This design is appropriate where a study is concerned with specific predictions, narrations of facts and characteristics concerning individuals or situations. The variables being questioned were described. The researcher aimed at collecting information from respondents on their attitudes and opinions in their relation to participation in BPCs.

#### 3.3 Target Population.

The target population is consists of 310 MSMEs in Nyeri town registered with Ministry of Trade by March 2010. The respondents include the owners of MSMEs.

#### Population Frame

Table 3.3.1

Category	Population Size
Distribution	99
Service	121
Manufacturing	12
Processing	78
Total	310

Source: Ministry of Trade 2010

### 3.4 Sampling Procedure and Sample Size

The study targets 310 MSMEs in Nyeri Township registered with the Ministry of Trade. The research is apply a stratified random sampling where every category is reduced proportionally to obtain a sample size. This method is suitable as it removes any bias and is give each category equal chances of being represented. A 30% ratio of each category is sampled since it is ideal for populations which were less than 10,000. Mugenda et al (2008)

Table 3.4.1 Sample Size

Category	Target Population	Ratio	Sample Size
Distribution	99	0.3	29
Service	121	0.3	36
Manufacturing	12	0.3	4
Processing	78	0.3	23
Total	310		92

Source: Author 2010

### 3.5 Data Collection Instruments.

This study employed questionnaires with both open ended and close ended questions for the purpose of inquiry. The questionnaires were deemed to be the best method to gather large amounts of information in a cost effective and timely manner.

### 3.6 Data Collection Procedures

The data collection instruments were first piloted to ensure that they were valid for the intended purposes. Ten potential respondents were issued with draft questionnaires from which necessary adjustments were made. Questionnaires were then dropped at the entrepreneur's premises and collected at a later agreed dates.

### **3.7 Validity of Instruments.**

The variables and data collection instrument were checked by experts, who are mainly supervisors to ensure they were in line with objectives. This is was to ensure that they were valid for the intended purposes.

### **3.8 Reliability of Instruments.**

For reliability purposes, a pilot testing of the research instrument was done to ensure that they are test the relevant variables.

### 3.9 Operational Definition of Variables

**Table 3.8.1 Operational Definition of Variables**

Variable	Indicators	Measure	Scale	Tool of analysis	Level of analysis
Independent	(i) Awareness	Number of people who received communication	Ordinal	Median Variance Standard deviation	Descriptive
	(ii) Prizes	Number of people who won prizes	Ordinal	Median	Descriptive
	(iii) Competences	Number of people trained in business plan writing skills	Ordinal	Median Variance Standard deviation	Descriptive
		Number of times trained	Nominal	Mode Variance Standard deviation	Descriptive
	(iv) Attitude	Number of business plans	Nominal	Mode Variance Standard deviation	Descriptive
Dependent	Participation	Number of entries	Ordinal	Median correlation	Descriptive

### **3.10 Data Analysis**

Frequency of various demographic variables were used to analyze the demographic aspects of respondents in the selected SMMEs. The demographic variable is age, gender, education level and experience (years). The entrepreneurs' attitudes, competences, level of motivation were analyzed using descriptive analysis. Such as mean, median and standard deviation, and cross tabulation to correlate independent and dependent variables. The data collected was entered and analyzed by descriptive analysis using Statistical Packages for Social Scientists (SPSS) version 13.0 software. In order to draw out the strength of relationships between variables data was further analyzed using correlation and analysis of variance.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

The data collected is entered and analyzed by simple description analysis using Statistical Package for Social Scientists (SPSS) version 13.0 software and Microsoft Excel. The data is then presented through tables and narrative analysis. The presentations were done in line with research objectives.

#### 4.2 Response Rate

A total of ninety two questionnaires were distributed to the selected entrepreneurs in Nyeri Municipality. A total of 84 questionnaires were duly filled and collected marking a 91.3% response rate. This rate could be attributed to the fact that the questionnaires were physically dropped to known entrepreneur's addresses and collected at an agreed date. The respondents were best placed to provide adequate and authentic data since they are the owners of the enterprises.

The distribution is as follows:

Table 4.1 Response Rate

Category	No. of respondents	Percentage
Distribution	27	32.14
Service	35	41.66
Manufacturing	3	3.57
Processing	19	22.61
Total	84	100



### 4.3 Gender of Respondents

The research went further to establish the gender of entrepreneurs in Nyeri Municipality.

Table 4.2 Gender of Respondents

Gender	Frequency	Percent
Male	47	55.95
Female	37	44.04
Total	84	100

Table 4.2 shows that 55.9% of the respondents were male entrepreneurs while 44.04% of the respondents were comprised of female entrepreneurs. This indicates that in general, there were more male entrepreneurs than female entrepreneurs.

### 4.4 Education Level of Entrepreneurs

The research also sought to establish the level of education of the represented entrepreneurs in Nyeri Municipality.

Table 4.3 Education Level of Entrepreneurs

Level of Education	Frequency	Percent
Primary	2	2.38
Secondary	18	21.42
Certificate	13	15.47
Diploma	28	33.33
First degree	21	25.0
Second degree	2	2.38
Total	84	100

Table 4.3 shows that 2.38% of entrepreneurs have primary school education, 21.42% have secondary school education, 15.47% have at least a certificate, 33.3% have a college diploma, 25.0% with a first degree while a partly 2.38% have a second degree. This generally shows that majority (72.6%) of the entrepreneurs have below university education.

#### 4.5 Experience

This research further attempted to find out the period that the represented entrepreneurs had done business.

Table 4.4 Experience of Entrepreneurs

Experience	Frequency	Percentage
Less than 1 year	2	2.38
1 -2 years	26	30.95
2 – 5 years	13	15.47
5 -10 years	13	15.47
Over 10 years	30	35.71
Total	84	100

Table 4.4 shows the level of experience in business by the entrepreneurs. The study revealed that 2.38% of the entrepreneurs had experience of less than one year, 30.95% had 1-2 years experience, 15.47% had 2-5 years experience while 35.71% had over 10 years experience in business. This generally shows that majority 51.2% have over five years experience in business.

#### 4.6 Participation in Business Plan Competitions

This research attempted to find out the level of participation by entrepreneurs in business plan competition.

Table 4.5 Participation in Business Plan Competitions

Participation	Frequency	Percent
Yes	16	19.0
No	68	80.9
Total	84	100

Table 4.5 shows that 80.9% of the entrepreneurs in Nyeri Municipality did not participate in the Business Plan Competitions while only 19% participated. This generally means that the level of participation is generally very low.

#### 4.7 Attractiveness of prizes

This research also attempted to find out the entrepreneurs ratings the prizes won in Business plan competition.

Table 4.6 Attractiveness of prizes in Business plan competitions.

Attractiveness	Frequency	Percentage
Very attractive	13	15.47
Attractive	24	28.57
Moderately attractive	43	51.19
Unattractive	4	4.76
Very unattractive	0	0
Total	84	100

Table 4.6 shows that the study revealed that 15.47% of the entrepreneurs found the prizes won in business plan competitions very highly attractive, 28.57% found them highly attractive, 51.19% moderately attractive, 4.76 felt they were unattractive while none felt they were attractive. This generally shows that majority of the entrepreneurs have over five years find the prizes won attractive.

#### 4.8 Types of Prizes

The research further attempted to find out what types of prizes motivate entrepreneurs in participating in Business plan competitions

Table 4.7 Types of Prizes

Prizes	Frequency	Percentage
Monetary	53	63.09
Gifts	6	7.14
Certificates	19	22.61
Ranking	4	4.76
Others	2	2.38
Total	84	100

Table 4.7 indicates that 63.09% of the entrepreneurs are attracted by monetary prizes, 7.14% by gifts, 22.61% by certificates, 4.76% by ranking while 2.38% hamed other types of prizes that attract them. This generally shows that majority 63.09% of the entrepreneurs prefer monetary prizes.

#### 4.9 Influence of attractiveness of Prizes on Participation In Business Plan Competitions

This research attempted to find out the influence of attractiveness of prizes offered on the participation of Business plan competitions.

Table 4.8 Influence of attractiveness of Prizes

Attractiveness	Participation	Percentage
Very attractive	7	43.7
Attractive	4	25
Moderately attractive	3	18.7
Unattractive	1	6.25
Very unattractive	1	6.25
Total	16	100

Table 4.9 shows that the study revealed that 43.7% of those respondents who rated the prizes as a highly attractive, participated in the Business Plan Competitions. 25% of those who found them attractive participated in the Business Plan Competitions. 18.7% of those who rated the rated prize moderately attractive participated in the Business Plan Competitions. 6.25% of those who rated the prizes unattractive participated, while another 6.25% of those who rated the prizes very unattractive participated in the Business Plan Competitions. Generally majority of those entrepreneurs who rated the prizes to be very attractive participated in Business Plan Competitions.

#### 4.10 Relationship between attractiveness of prizes and participation in Business Plan Competitions

This research further attempted to find out the relationship between the attractiveness of the prizes and their influence on participation in Business Plan Competitions.

Table 4.9 Relationship between attractiveness of prizes and participation

Attractiveness (X)	%	Participation (Y)
Very highly attractive	15.47	43.7
Highly attractive	28.57	25.0
Moderately attractive	51.19	18.75
Unattractive	4.76	6.25
Very unattractive	0	6.25
Total	100	100

Mean (X) = 19.99

Mean (Y) = 19.99

Variance (X) = 339.8

Variance (Y) = 193.27

Standard Deviation (X) = 18.43

Standard Deviation (Y) = 13.9

Correlation (r) = 0.297

Significance level at 0.05 (2 tailed)

Table 4.9 shows that there is a very weak positive correlation  $r = 0.297$  between attractiveness of prizes and participation. This means that entrepreneurs are not very much influenced by the prizes offered in the business plan competitions.

#### 4.11 Source of Awareness of Business Plan Competitions

This research attempted to find out how entrepreneurs access information for use in their businesses.

Table 4.10 Source of Awareness

Source	Frequency	Percentage
Radio	5	5.95
T.V	27	32.14
Newspapers	29	34.52
Business magazines	7	8.33
Posters	9	10.71
Personal research	7	8.33

Table 4.10 shows that 5.95% of the entrepreneurs received the information through the radio, 32.14% through television, 34.52 through newspapers and 8.33% through personal research. This generally shows that the newspapers gave the competitions most publicity.

#### 4.12 Level of Awareness and participation in Business Plan Competitions

This research also attempted to find out the awareness amongst the entrepreneurs about Business plan competition.

Table 4.11 Awareness

Awareness	Frequency	Percentage
Very Aware	2	2.28
Aware	4	4.76
Slightly aware	17	20.2
Unaware	24	28.5
Very unaware	37	44.0
Total	84	100

Table 4.9 shows that the study revealed that majority (72.5%) of the entrepreneurs were not informed about the business plan competitions. 2.28% said that they were very aware, 4.76% were aware, 20.2% were slightly aware, 28.5% were unaware while 44.0% were completely unaware of the projects.



#### 4.13 Influence of Awareness and Participation in Business Plan Competitions

This research attempted to find out the influence of awareness on business plan competitions towards their participation of entrepreneurs in these competitions.

Table 4.12 Influence of awareness

Awareness	Participation	Percentage
Very aware	7	43.75
Aware	5	31.25
Slightly aware	4	25.0
Unaware	0	0
Very unaware	0	0
Total	16	100

Table 4.12 shows that the study revealed that out of the respondents who were very aware 43.75% participated. 31.25% of those who were aware participated while 25% of those slightly aware participated. None of those who were unaware and very unaware participated. This generally shows that majority of those who participated were very aware.

#### 4.14 Relationship between level of awareness and the participation in Business Plan Competitions.

Table 4.13 Awareness and the participation in Business Plan Competitions.

Awareness (X)	%	Participation (Y)
Very Aware	2.28	43.75
Aware	4.76	31.25
Slightly aware	20.2	25.0
Unaware	28.5	0
Very unaware	44.0	0
Total	100	100

Mean (X) = 19.84

Mean (Y) = 20.0

Variance (X) = 218.9

Variance (Y) = 238.91

Standard Deviation (X) = 15.45

Standard Deviation (Y) = 15.4

Correlation (r) = - 0.92

Significance level at 0.05 (2 tailed)

Table 4.13 shows that there is a very strong negative correlation between the level of awareness and the participation in Business Plan Competitions. This means that the more publicized the competitions are the higher the number of entrepreneurs who are likely to participate in them.

#### 4.15 Training

This research attempted to find out entrepreneurs skills on writing a business plan.

Table 4.14 Training

Trained	Frequency	Percentage
Yes	64	76.19
No	20	23.8
Total	84	100

Table 4.12 shows that 76.19% of the entrepreneurs had some training on Business Plan writing while 23.8% had no training in Business Plan Skills.

#### 4.16 Sources of Business Plan Writing Skills.

The research further attempted to find out where entrepreneurs gain these skills on the business plan writing.

Table 4.15 Sources of Business Plan Skills writing

Source	Frequency	Percentage
High School	12	18.75
Tertiary	34	53.12
Personal initiative	12	18.75
Government training	2	3.125
Others	4	6.25
Total	64	100

Table 4.13 shows 18.75% of the entrepreneurs received their Business Plan writing skills from high school, 53.12% from tertiary institutions, 18.75% from personal initiatives, 3.125% from government initiatives while 6.25% from other sources.

#### 4.17 Competence in Business Plan Writing Skills

The research attempted to find out the level of competence of entrepreneurs in writing Business Plan.

Table 4.16 Competence in Business Plan Writing Skills

Competence	Frequency	Percentage
Excellent	13	15.47
Good	22	26.19
Average	39	46.42
Poor	7	8.33
Very poor	2	2.38
Total	84	100

Table 4.17 shows that the study revealed that 15.47% felt that their competence in business plan writing as excellent, 26.19% as good, 46.42% as average, 8.33% as poor and 2.38% as very poor. This means that generally majority 87.99% of the entrepreneurs felt they are competent in business plan writing.

#### 4.18 Influence of Competence in Business Plan Writing.

The research attempted to find out how competence in writing business plans influences entrepreneurs in participating in business plan competitions.

**Table 4.17 Influence of competence in Business Plan Writing.**

<b>Competence</b>	<b>Frequency</b>	<b>Percentage</b>
Excellent	8	50.0
Good	5	31.25
Average	3	18.75
Poor	0	0
Very poor	0	0

Table 4.17 shows that 50.0% of the entrepreneurs felt that their competence in writing BP's were excellent, 31.25% were good, 18.75% felt they were average. None of the entrepreneurs had poor or very poor BP writing skills.

#### **4.19 Relationship between competence and participation in Business Plan Competitions.**

The research further attempted to establish the relationship between the entrepreneur's competence in Business Plan writing skills and their participation.

**Table 4.18 Competence and Participation**

<b>Competence (X)</b>	<b>%</b>	<b>Participation (Y)</b>
Excellent	15.47	50.0
Good	26.19	31.25
Average	46.42	18.75
Poor	8.33	0
Very poor	2.38	0
Total	100	100

Mean (X) = 19.58

Mean (Y) = 20.0

Variance (X) = 240.64

Variance (Y) = 365.625

Standard Deviation (X) = 15.51

Standard Deviation (Y) = 19.12

Correlation (r) = 0.328

Significance level at 0.05 (2 tailed)

Table 4.18 shows that there is a low positive relationship between competence and participation in Business Plan Competitions. This means that entrepreneurs who have skills in writing business plans are more likely to participate in the competitions than those who are not trained in business plan writing skills.

#### 4.20 Attitude towards BPCs.

The research further attempted to find out the attitudes of entrepreneurs in Nyeri Municipality towards Business Plan Competitions.

Table 4.19 Attitude towards Participation

Attitude	Frequency	Percentage
Very positive	13	15.47
Positive	37	44.04
Neutral	26	30.95
Negative	8	9.52
Very negative	2	2.38

Table 4.19 shows that 15.47% of the entrepreneurs attitude towards Business Plan Competitions is very positive, 44.04% positive, 30.95% neutral, 9.52% have negative attitude and 2.38% have very negative attitude.

In general, majority (90.46%) have a positive attitude towards business plan competitions.

#### 4.21 Willingness to participate in Business Plan Competitions.

The research attempted to find out the willingness of entrepreneurs in Nyeri Municipality in participating in Business Plan Competitions.

Table 4.20 Willingness to participate in Business Plan Competitions.

Willingness	Frequency	Percentage
Very highly Willing	24	28.57
Highly Willing	33	39.28
Moderately Willing	20	23.80
Unwilling	7	8.33
Strongly unwilling	0	0

Table 4.20 shows that 28.57% of the entrepreneurs were very highly willing to participate, 39.28% highly willing, 23.80% moderately willing, 8.33% unwilling while none were strongly unwilling.

#### 4.22 Influence of Attitude on participating in Business Plan Competitions.

The research attempted to find out the extent to which the attitude of entrepreneurs in Nyeri Municipality influences their participation in Business Plan Competitions.

Table 4.21 Influence of Attitude on participating in Business Plan Competitions.

Attitude	Frequency	Percentage
Very positive	9	56.25
Positive	6	37.5
Neutral	1	6.25
Negative	0	0
Very negative	0	0
Total	16	100

Table 4.18 shows that 56.25% of those respondents who had very positive attitude towards BPCs participated while out of those who had positive attitude, 37.5% participated and 6.25% of those who had a neutral attitude participated. None of those with negative and very negative attitude participated. Generally, majority of those with very positive attitude participated.



### 4.23 Relationship between attitude and participation.

This study further attempted to find out the relationship between attitudes of entrepreneurs towards Business Plan Competitions on their participation.

Table 4.22 Relationship between attitude and participation

Attitude (X)	%	Participation (Y)
Very positive	15.4	56.25
Positive	44.0	37.5
Neutral	30.9	6.25
Negative	7.32	0
Very negative	2.38	0
Total	100	100

Mean (X) = 20.0

Mean (Y) = 20.00

Variance (X) = 237.4

Variance (Y) = 521.8

Standard Deviation (X) = 15.4

Standard Deviation (Y) = 22.84

Correlation (r) = 0.403

Significance level at 0.05 (2 tailed)

Table 4.21 shows that there is a weak positive relationship between attitude and participation. This means that entrepreneurs who consider business plan competitions as useful are more likely to participate in the competitions than those who have a negative attitude towards these projects.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the findings, discussion, conclusions and recommendations emanating from the results of this study. The study aimed at coming up with specific data on factors influencing participation of MSMEs in Business Plan Competitions. The study is prompted by the fact that most entrepreneurs in Nyeri do not participate in Business Plan Competitions. The study sought to evaluate how awareness, prizes awarded, competencies and attitudes influence the level of participation in Business Plan Competitions.

This study is guided by four objectives which addressed the issues within the research problem. The findings are presented by the use of tables and analyzed by the use of mean, variance, standard deviation and correlation. Based on the findings, conclusions were drawn and recommendations made.

#### **5.2 Discussions of the Results.**

The summary of the findings are discussed in relation to the objectives of the study and include the awareness created on these competitions, the prizes awarded, the level of competences and the entrepreneurs attitudes towards Business Plan Competitions.

##### **5.2.1 Participation in Business Plan Competitions**

The results of this study reveals that participation in the Jitihada and Chora Bizna competitions by entrepreneurs in Nyeri Municipality was only 19.0%. This level of participation was very low. For interventions of this nature, participation level is a key for its success. This study set out to investigate the factors influencing participation in business plan competition.

### **5.2.2 Prizes offered in Business Plan Competitions**

The results of the study reveals that majority of the entrepreneurs 95.24% found the prizes offered in the competitions attractive. Only 4.7% found the prizes unattractive. This indicates that in general, the prizes offered are enough to attract participation in the projects initiated for entrepreneurial development. The results further indicate despite the prizes being attractive, they were not very influential towards participation as marked by the weak correlation between the attractiveness of prizes and participation. This means that there must be other factors with a greater influence on participation in business plan competitions than the prizes offered.

### **5.2.3 Awareness of Business Plan Competitions.**

Another objective of this study was to find out the extent of the influence of awareness of business plan competition on participation. The results of this study revealed that majority 72.5% of the entrepreneurs in Nyeri Municipality were not aware that these interventions were taking place. This shows that these projects were not well publicized. 73.36% of the entrepreneurs were consequently influenced by this lack of awareness resulting to a very high negative correlation of ( $r = -0.95$ ) between the level of awareness and participation in business plan competitions.

The findings of this study do not concur with a report by Zhang 1997 on the factors affecting spectators attendance in which he found that the more publicized events are, the higher the level of attendance.

### **5.2.4 Competence in Business Plan Writing Skills.**

Objective three of this study was to assess the influence of competence in business plan writing skills and participation in business plan competitions. The results of this study revealed that majority 87.9% of the entrepreneurs in Nyeri Municipality are competent in writing a business plan. Only 10.71% rated their business plan. Only 10.71% rated their business plan writing skills as average and below average.

This could be attributed to the introduction of business plan in curriculum in schools and colleges where majority 71.87% of the entrepreneurs revealed as the source of their skills.

The findings depicted a low positive correlation ( $r = 0.328$ ) between competence in business plan writing skills and participation in business plan competitions. This can be interpreted that competence in business plan writing do not greatly influence the participation.

Therefore the poor participation in business plan competitions cannot to a great degree be attributed to entrepreneur's competence in business plan writing but rather to other factors that may have a greater influence on the participation.

#### **5.2.5 Attitude and Participation in Business Plan Competitions.**

The fourth objective of this study was to investigate the extent of the influence of entrepreneur's attitudes towards business plan competitions on the participation in these projects. The results of this study reveals that majority of the entrepreneurs (90.46%) have a positive attitude towards participation in business plan competitions. Therefore the level of participation in business plan competitions can to a very high degree be attributed to the nature of entrepreneur's attitude. Therefore if the participation level of business plan competitions has to be improved, the project managers must work on the attitude of the target participants.

These findings are in line with the World Bank report of 2009 on women entrepreneurship in the Middle East which reported that the level of participation in entrepreneurial activities by women in the Middle East has greatly been influenced by their attitude towards entrepreneurial activities.

In general, the results of this study revealed that among the four factors, attitude and competence influence participation most, followed by the attractiveness of the prizes while the level of awareness offered the least influence on participation in business plan competitions.

### **5.3 Conclusions.**

Based on the results of this study, participation by entrepreneurs in business plan competitions was low in Nyeri Municipality. There was a very low positive relationship between the attractiveness of prizes and participation in business plan competitions. Hence the prizes offered are not a major factor for low participation in business plan competitions. Competence had a moderate influence in participation in business plan competitions as shown by the average correlation disclosed by the study.

### **5.4 Recommendations**

On the basis of this study, the following recommendations were made;

- i. Project managers of these initiatives should make efforts aimed at improving the level of participation.
- ii. There should be an effort to improve the level of awareness especially through publicizing in newspapers and the television because they were found to be the most effective methods of publicity for such information.
- iii. Due to the high significance of attitude marked by the strong relationship between attitude and participation, the project teams and the government should attempt to change the attitudes of entrepreneurs towards business plan competitions.

### **5.5 Suggestions for further research.**

Due to some limitations, this research was not able to cover some areas. It therefore recommends the following areas for further research.

- i. Effects of business plan competitions on entrepreneurial development.
- ii. Challenges facing business plan competitions.

## References

- Ambrose M. L. and Kulik C. I. (1999) *Motivation Research in the 1990s Journal Of Management*
- Armstrong M (2003) *Human Resource Management 7<sup>th</sup> Edition* London.
- Barg J.A And Ferguson M.J (2005) *Beyond Behaviorism*, Little Brown, New York.
- Berry T (2010) *Up and Running Starting your Business with growth in mind* Entrepreneur. Com. New York.
- Campbell J. P Et Al (1970) *Managerial Behavior Performance and Effectiveness* Mc Grawhill, New York.
- Churchill G.A (1982) *An investigation into the determinants of customer satisfaction. A journal of Marketing Research*
- Damasio A. R (1994) *Descartes Error: Emotions Reasons and the Human Brain*
- Dum W.S (1986) *Public Relations A Contemporary Approach*, Irwin, New York.
- Eagerty H. A And Chaikens (1993) *Psychology Attitude* Hawcourt Brace Orlando.
- Glassman L. R And Albarracin D (2009) *Forming Attitudes that predict that Future Behavior* Gull Ford, New York.
- Harper M. (1994) *Small Business In Third World* John Isy and Sons, New York.
- Hill C. W L. and Mc Shane S (2008) *Principles of Management* Tata Mc Graw Hill Publishing Company New Delhi
- Hill W.L.C And Mc Shane (2008) *Principles of Management*, Mc Graw Hill, New York.
- Jessop Et Al (1994) *Storage and Supply of Materials* Pearson Education Limited Harlow Essex.

- Julian G (2007) *Cover Your Tracks Sales and Marketing Management*
- Keirseydand Bates M (1978) *Please Understand My Character* Pearson Prentice Hill Companies London.
- Kotler P And Keller K. I. (1994) *Marketing Management* Pearson, New Jersey.
- Kinicki A. and Isiams B.K (2008) *Management. A practical Approach*. mcGrawhill, Newyork
- Kurzbard G and Simokos (1992) J.G Graffing *A damage control plan journal of business Strategy*.
- Martin J (2007) *Whitman School of Management* Syracuse New York
- Matsui T. and Terai I (1979) *A Cross Cultural Study of the Validity of the Expectancy Theory of Motivation Journal of applied Psychology*.
- Mc Shane S. Et Al (2008) *Organizational Behavior*. Tata Mc Graw Hill Publishing Company, New Delhi.
- Mhtm:file:///:\ Harvard Business School- Wikipedia, 5/7/2010.
- Mhtm:file:///:\Enterprencur.Com-Blog Network- Up and Running 5/7/2010.
- Mullins J. I. (2007) *Management And Organizational Behavior* Pearson Education Limited Essex.
- Nadles A. And Lawler E. (1983) *Perspectives of Behavior in organizations* Mc Grawhill, New York
- Ngethe M. (1987) *Perceived Customer Service and Bank Management*. Unpublished MBA Project University of Nairobi.
- Pottanayak B (2008) *Human Resource Management 3<sup>rd</sup> Edition*. Irentice Hall New Delhi.
- Ribeaux P And Popletin S. E (1978) *Psychology and Work* Macmillan.

- Robbins P.S And Coulter M. (2007) *Management* 9<sup>th</sup> Edition Predntice Hall New Jersey.
- Robin S.P And Judge A. T (2009) *Organizational Behavior* 13<sup>th</sup> Edition. Pearson, Upper Saddle, New York.
- Scott H (1976) *Advertising Age*; Nielsen Researcher.
- Stevenson W.J (2002) *Operation Management* 8<sup>th</sup> Edition Mc Graw-Irwin. New Delhi.
- Syracuse A (2007) *Social Marketing for a Cause: Target Marketing*.
- Vroom V. H (1964) *Work and Motivation* Isey, New York.
- Weiss H. M and Cropanzano R (1996) *Effective Events Theory. A Theoretical Discussion of the Structure, Causes and Consequences of Effective Experience at Work*.
- Wicker W. A *Attitudes versus action The Relationship of Verbal and Over Behavioral responses to attitude objects Journal of Social Issues.*
- [www.innovationfund.ac.za/sahio](http://www.innovationfund.ac.za/sahio) plan 5/7/2010
- [www.seda.org.za](http://www.seda.org.za) 6/7/2010
- [www.sagoodnews.co.za/private](http://www.sagoodnews.co.za/private) sector 6/4/2010
- [www.dw-world.de](http://www.dw-world.de) last visited 20/06/2010
- [www.siteresources.worldbank.org](http://www.siteresources.worldbank.org) 20/06/2010
- Xuemming L., and Naveem Douthu (2006) *Marketing Credibility. A Longitudinal Investigation of Marketing Communication Productivity and Shwreholder Value" Journal of Marketing.*
- Zeeleberg M Et Al (1998) *Organizational Behavior and Human Decistion Processes*
- Zhang J.C (1997) *Sowal Motivational Factors Affecting Spectator Attendance.*



## LETTER OF INTRODUCTION

Dear Respondents,

RE: Filling Research Questionnaire

I am a student of the University of Nairobi pursuing a master of Arts Degree in Project Planning and Management. I am currently undertaking a research on the factors influencing the participation of MSMFs in Government Entrepreneurial Initiatives. The attached questionnaire is meant for collection of information which is assist in the study.

Kindly complete the questionnaire as honestly as possible. All information is held in confidence and is not be used for any other purpose except for this study.

Your positive response is highly appreciated.

Yours Sincerely,

Paul K. Mburu,

RESEARCHER.

## QUESTIONNAIRE

Please complete the questionnaire as honestly and effectively as possible. Where necessary, tick appropriately.

1. Age: \_\_\_\_\_

2. Gender: \_\_\_\_\_

3. Education level: \_\_\_\_\_

Primary [    ]

Secondary [    ]

Certificate [    ]

Diploma [    ]

First Degree [    ]

Second Degree [    ]

4. Type of your business

Manufacturing [    ]

Processing [    ]

Distribution [    ]

Service [    ]

5. For how long have you been in business?

Less than one year [    ]

1 - 2 Years [    ]

2 - 5 years [    ]

5 years [    ]

Over 10 years [    ]

6. Have you ever participated in a Business Plan Competition?

Yes [     ]

No [     ]

#### ATTRACTIVENESS OF PRIZES IN BPCs

7. a. Have you ever won any prize in a Business Plan Competition?

YES [     ]

NO [     ]

b. How do you rate the prizes won in Business Plan Competition

Very highly attractive [     ]

Highly attractive [     ]

Moderately attractive [     ]

Unattractive [     ]

Very unattractive [     ]

c. How do you regard prizes as a motivational factor to participate in Business Plan Competition?

Very highly [     ]

Highly [     ]

Moderately [     ]

Low [     ]

Very low [     ]

d. What types of prizes would motivate you in participating in Business Plan Competition?

Monetary [     ]

Gifts [     ]

Certificates [     ]

Ranking [     ]

Any other (Indicate).....

e. To what extent do you agree that the attractiveness of prizes won in Business Plan Competitions influenced your participation?

Strongly agree [     ]

Agree [     ]

Undecided [     ]

Disagree [     ]

Strongly disagree [     ]

#### AWARENESS OF BPCs

8. i. How do you access information for business purposes?

Radio [     ]

TV [     ]

Newspaper [     ]

Business Magazines [     ]

Posters [     ]

Personal research [     ]

ii Did you get information about Jitihada and C'hora Bizna competition?

YES [     ]

NO [     ]

iii If yes, how did you get the information on the Business Plan Competitions?

Advertisement [     ]

Sales people [     ]

Personal research [     ]

Government officers [     ]

From a friend [     ]

iv. How do you rate the level of awareness created for Business Plan Competitions?

Very high [    ]

Highly [    ]

Moderately [    ]

Low [    ]

Very low [    ]

v. Did you participate in the competition?

YES [    ]

NO [    ]

vi. How did the information influence you towards participation in Business Plan Competitions?

Very greatly [    ]

Greatly [    ]

Moderately [    ]

Slightly [    ]

In no way [    ]

#### COMPETENCES IN BP WRITING SKILLS.

9. i. Have you ever been trained on how to write a Business Plan?

YES [    ]

NO [    ]

ii. If Yes, where did you gain the skills from?

High School [    ]

Tertiary Level [    ]

Personal Initiative [    ]

Government Training [    ]

Others (indicate).....

iii. Do you have a business plan for your business?

YES [    ]

NO [    ]

iv. How would you rate your competence to write a Business Plan?

Excellent [    ]

Good [    ]

Average [    ]

Poor [    ]

Very poor [    ]

v. Indicate to what extent you agree that your business plan writing skills have influenced your participation in Business Plan Competitions.

Strongly agree [    ]

Agree [    ]

Undecided [    ]

Disagree [    ]

Strongly disagree [    ]

#### ATTITUDE OF ENTREPRENEURS TOWARDS BPC's

10. How do you rate your attitude towards Business Plan Competitions?

Very positive [    ]

Positive [    ]

Neutral [    ]

Negative [    ]

Very negative [    ]

ii. How willing would you be to participate in a Business Plan Competitions?

Very highly willing [     ]

Highly willing [     ]

Moderately willing [     ]

Unwilling [     ]

Strongly willing [     ]

iii. Indicate to what extent you agree that your attitude towards Business Plan Competitions influences your participation in a Business Plan writing competitions.

Strongly agree [     ]

Agree [     ]

Undecided [     ]

Disagree [     ]

Strongly disagree [     ]





## RESEARCH ACTIVITY BUDGET

	<b>ACTIVITY</b>	<b>COST (Kshs)</b>
1.	Typing	7,400/-
2.	Printing Papers	1,300/-
3.	Photocopy	2,600/=
4.	Binding	300/-
5.	Transport	6,000/-
6.	Letters and telephone	4,000/-
7.	Meals	7,000/-
	<b>Total</b>	<b>28,600/=</b>