

**FACTORS INFLUENCING THE PERFORMANCE OF BUSINESSES OWNED BY  
WOMEN IN KIAMBU TOWN, KENYA**

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DECLARATION

This Project is my original work and has not been presented in for any other University.

Signed..... Date.....

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This Project has been submitted for examination with my approval as University Supervisor.

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## **DEDICATION**

I dedicate this work to my son Daniel NgugiKibe and all the women running or planning to run their own businesses in Kiambu town and all over the world.

## **ACKNOWLEDGEMENT**

Foremost, I would like to express my sincere gratitude the University of Nairobi for awarding me the opportunity to pursue a degree in Masters in Project Planning and Management. I also wish to thank my supervisor Dr. Harriet Kidombo for the continuous supervision and support during my research. Her guidance helped me in all the time of research and writing of this research paper. Likewise would like to convey my appreciation to the all the lecturers who impacted me with the valuable skills and knowledge on how to plan and manage projects successfully.

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## ABSTRACT

The challenges facing women entrepreneurs in Kenya have really affected entrepreneurship growth rate among the females. Many women have different business ideas, but putting the ideas into practice and running a competitive enterprise is another difficult thing to them. The objectives of the study were to determine the extent to which business management skills affect the performance of businesses run by women, to establish the influence of socio-cultural factors on performance of businesses run by women, to assess the impact of economic factors on the performance of businesses run by women, and to find out whether Information and Communication Technology (ICT) affected the performance of businesses run by women. The greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort. Even when women entrepreneurs do approach banks for financing, they tend to face discrimination. Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The fear to risk is a big hindrance. The status of women in a patriarchal social structure makes women dependent on males in their lives –husbands or fathers –and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship. In addition, women are usually less educated than men, making them less well equipped to manage a business. The research designs that were used were both qualitative and quantitative research designs. The target population was the women running businesses in Kiambu town with a sample size of 100 women. The sampling procedure that was employed was stratified sampling. The study found that majority of the respondents had been engaged in active business for 1-5 years. The respondents indicated that religious beliefs did not affect/determine how they conduct business. The access to adequate loans and reasonable interest rates from financial institutions had effect on the performance of the business. They experience problem with the type of the interest rate charged and the loan repayment terms and conditions. The study established that they had no computer skills. Women entrepreneurs had limited but informal public relations skills, business management skills and computer skills. The study concludes that women entrepreneurs face financial challenges especially in raising capital, a difficulty in combining family and work life, obstacle in accessing information/advice on management of successful businesses and a question of self-confidence (believing in their abilities). Religious beliefs did not affect/determine how they conduct business. The women businesses targeted both middle and low class customers. The differences in risk perception could be linked to women's lack of access to power and influence. Women are underrepresented in all ICT decision-making structures, including policy and regulatory institutions, ministries responsible for ICTs, and boards and senior management of private ICT companies. The government should formulate policies that encourage the training of women entrepreneurs on business management skills. Financial institutions should encourage women to take loans and charge reasonable and manageable interest rates. Women should be trained on how to participate in the market place for them to be able to market goods and services strategically. Women should be encouraged to learn computer skills and implement ICT.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

**ANOVA** - ANalysis Of VAriance

**ICT** - Information and Communications Technology

**OECD** - Organization for Economic Co-operation and Development

**UNIDO** - United Nations Industrial Development Organization

**UNDAW** - United Nations Division for the Advancement of Women

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the study

Female entrepreneurship has attracted increasing attention in recent years in light of concrete evidence of the importance of new business creation for economic growth and development (Acset al., 2005; Langowitz and Minniti, 2007). Women's entrepreneurship in particular is attracting the attention of policy makers and researchers because it has been recognized during the last decade as an important and untapped source of economic growth. However we still lack a reliable and detailed picture of the economic impact on women's entrepreneurship. The need to develop women's entrepreneurship was emphasized by the Fourth World Conference on women, held in Beijing in September, 1995. The Platform for Action, Equality, Development and Peace, adopted at the conference call for specific actions to be taken by governments, Non-Governmental Organizations and international organizations among others to promote, support and strengthen female entrepreneurship (UNIDO, 2001).

In the recent years, the micro and small enterprise sector has played an increasingly important role in Kenya. According to Ikiara (2001), and a World Bank report (2—1), the sector is regarded as offering an alternative route to economic growth, especially in the context of increased poverty and unemployment, as well as the advent of economic reforms that have led to the liberalization of the economy. Micro enterprises encourage productivity and economic independence. Not only does female entrepreneurship contribute to economic growth and employment creation, but it is increasingly recognized to also enhance the diversity of entrepreneurship in any economic system (Verheul et al., 2006) and to provide avenues for female expression and potential fulfillment (Eddleston and Powell, 2008). These benefits are rarely leveraged in a systematic way, however, given that female entrepreneurship talent and potential remain largely untapped in many contexts (Baughn et al., 2006).

There is indeed accumulating evidence suggesting that although the rate at which women are forming businesses has increased significantly, the rates of female entrepreneurial activity are significantly and systematically lower than those for males (Verheul et al., 2006; Langowitz and Minniti, 2007). Minniti et al. (2005) document in this respect substantial variations in entrepreneurship rates across

countries participating in the Global Entrepreneurship Monitor (GEM) in 2004, with men more active in entrepreneurship in all countries. Generally, countries with high female entrepreneurial activity rates also tended to be characterized by high total entrepreneurial activity rates (Verheul et al., 2006).

While the literature on female entrepreneurship has traditionally focused on the micro-level, including an exploration of the distinctive characteristics of female and male entrepreneurs in terms of motivation, personality traits, or experience for example, or the features of their firms as in size, goals, access to capital, management, and performance, more systematic attention has been accorded in recent years to the influence of macro-level factors on entrepreneurship generally, and female entrepreneurship specifically (Verheul et al., 2006; Baughn et al., 2006). However, it is believed that both sets of factors are important to provide a comprehensive understanding of female entrepreneurship in a particular context, consistent with the integrative multi-level research design advocated by Davidsson and Wiklund (2001) and more recently by Bruin et al. (2007).

The greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Responsibility of entrepreneurs for dependents has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo 2011). Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit. Finding the finance to get a new business going, or to grow an existing one is a difficult challenge.

Gakure (2004) adds that women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. Kinyanjui (2006) records that some entrepreneurs felt that it was difficult to obtain loans as they had to show credit records and they did not fully understand the requirements getting and paying loans. Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort. (Stevenson and St-Onge, 2005).

Another challenge that women entrepreneurs in Kenya face is discrimination. Even when women entrepreneurs do approach banks for financing, they tend to face discrimination. Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them. Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal savings groups. Gary (1998) adds that the women's major problem during the start-up is the credit discrimination. A woman is not allowed to open a bank account or own land without her husband's or father cosignatory. Although inheritance laws were revised with the succession Act of 1981, women have rarely inherited land and other property in their own right. This means that they lack title deeds which are still the most commonly used form of security for borrowing money. Women own only 1 percent of Kenya's land (5-6 percent) is held under joint names usually with husband (World Bank report) Entrepreneurship always involves some level of risk taking. For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The fear to risk is a big hindrance. The status of women in a patriarchal social structure makes women dependent on males in their lives –husbands or fathers –and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship. In addition, women are usually less educated than men, making them less well equipped to manage a business.

There is indeed little doubt that determinants of female entrepreneurship lie in a complex interplay of micro-, meso-, and macro-level factors (Bruin et al., 2007). While gender differences have indeed been documented at a micro-level in relation to self-perception (Anna et al., 2000), opportunity recognition (Eckhardt and Shane, 2003), decision-making styles (Baker and Nelson, 2005), and network structures/networking behavior (McManus, 2001), there is an increasing realization that individual orientations are enmeshed and molded by economic, legal, normative and societal environments, supporting the thesis of entrepreneurship embedded-ness in specific socio-cultural contexts (Bruin et al., 2007; Baughn et al., 2006). Individual orientations are also closely intertwined with meso level factors, including prevailing organizational processes, policies and practices. Single level conceptualizations may thus prove to be simplistic, failing to capture the interplay among different units and levels of analysis.

## **1.2 Statement of the problem**

One significant characteristic of the Micro and Small Enterprise (MSE) sector is that as it has grown, it has also become an important employer of the female labour force in the country. According to the Kenya Rural Enterprise Program and Central Bureau of Statistics (CBS) baseline survey conducted in 2009, the number of men and women owning micro-enterprises in Kenya was almost equal. Women in this sector are concentrated in the informal, micro, low growth, low profit areas, where competition is intense. These include food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, basket making, food processing and charcoal selling. The main reasons are that these sectors require relatively small start-up capital and are thus easy to enter. The incidence of growth of their MSEs is very low, and indeed much lower than that of male-owned enterprises. The secondary research also identified the main constraints to performance of women-owned enterprises at micro, meso and macro levels (Bruin et al., 2007; Baughn et al., 2006).

At the micro level, the main issues are the women entrepreneurs' limited education, skills and business experience. At the meso level, the main constraints are limited access to support services, including loan levels suited to their business needs, technical and management training, advice and marketing. These problems arise from the limited capacity and outreach of existing institutions as well as the women entrepreneur's inability to afford to pay for the services (Tesfaye, 2003). In the case of micro-finance, the problem is mainly limited to lack of access to substantial loans. To some extent, microcredit is now widely available, especially in urban areas, thanks to donor support and the popular solidarity group-lending model. Another problem is that women's advocacy organizations appear to be weak, making it hard for women to have their voices heard. Also, the laws and regulations affecting businesses (including licensing procedures) were designed for relatively large business activities and are therefore difficult for microenterprises to comply with – and these are predominantly owned by women.

Corruption and bureaucracy make matters worse especially for women, who are more vulnerable to physical pressure from corrupt officials. At the broader macro environment level, the main barrier to the performance of women owned enterprises is a cultural environment that makes it more difficult for women to start and run enterprises due to their perceptions about traditional reproductive roles. Women are obliged to divide their time between their family and community roles and running the business (Rutashobya, 2001). Although several studies have been done on women entrepreneurship

in various countries, for example studies conducted by Brush (1992), Carter et al (2001), Gundry et al (2002), and Greene et al. (2003) revealed many similar characteristics between male and female characteristics, but also uncovered gender differences. It was found that women-owned businesses tended to be smaller in size, have less assets, are in low-income informal sectors particularly the service sector, possess lower expectations for future growth, and consequently report lower economic performance measures like sales, employment growth and profitability. However, no conclusive study has been done in Kenya to examine the factors that hinder the performance of women in business. This study therefore aims to fill this gap.

### **1.3 Purpose of the study**

The purpose of the study was to examine the factors that influence the performance of businesses run by women.

### **1.4 Objectives of the study**

1. To determine the extent to which business management skills affect the performance of businesses run by women.
2. To establish the influence of socio-cultural factors on performance of businesses run by women.
3. To assess the impact of economic factors on the performance of businesses run by women.
4. To find out whether ICT affects the performance of businesses run by women.

### **1.5 Research Questions**

1. How do business management skills affect the performance of businesses run by women?
2. Do socio-cultural factors determine the performance of businesses run by women?
3. What impact do economic factors have on the performance of businesses run by women?
4. What influence does ICT have on the performance of businesses run by women?

### **1.6 Significance of the study**

The findings of the study would be valuable to policy makers such as the government in setting up policies aimed at improving the performance of businesses operated by women entrepreneurs, potential women entrepreneurs in order to improve their social and economic status and alleviate the problems that women entrepreneurs face.



The study would be valuable to women who are currently in business and the potential ones. This would help them be able to know the challenges they expect and how to tackle them. It will also enable them to seek the skill they require for successful business.

This study aimed to highlight how various factors determine women entrepreneurship in Kenya so that their potential can be better harnessed to ensure their greater contribution in economic development of the country. The findings of the study would also be valuable to scholars and academicians on women entrepreneurship and similar areas as the study provided theory and information relevant to them in the area.

### **1.7 Delimitations of the study**

The study was only conducted in Kiambu town and therefore information was generated with caution. Women entrepreneurs in other towns in Kenya did not take part in the study due to the difference in the prevailing social and economic conditions. Furthermore, there were different issues that could be researched on women entrepreneurs. But, this study was delimited to the key economic, socio-cultural factors affecting the performance women entrepreneurs in small scale businesses.

### **1.8 Limitations of the study**

The study was conducted within the Kiambu town in the Kiambu County on small scale women entrepreneurs. In the course of this study some hindrances were anticipated including:

There were time limitations to conduct a thorough study due to the researcher's busy schedule and frequent travelling outside the country hence failing to conduct a comprehensive research.

Some respondents failed to cooperate during interviews or questionnaire administration due to suspicion and lack of time may hamper effective response collection resulting to too many blanks. Other exogenous factors such as weather changes and interferences from customers caused inconveniences during the study. The data collected by a non-research expert resulted in gaps and therefore were rejected at the analysis stage compromising the integrity of the research information.

Notwithstanding, these challenges were constantly dealt with in order to safeguard the study from possible compromises on validation and reliability of the findings

## **1.9 Basic assumption of the study**

The researcher assumed that the data that was collected from the target population during the study was valid and without bias. The proposed study also assumed that a social and political condition in the area of study was favorable for data collection within the specified period and time frame.

## **1.10 Organization of the study**

This project is organized in five chapters.

The first chapter gives an introduction of the study area taking into account the background information, statement of the problem, objectives of the study, research questions and significance of the study area and limitations of the study.

The second chapter contains reviews of various literatures that are available in the study area. The third chapter takes us through the methods that were employed to collect data and analysis techniques that are going to be used. The fourth chapter gives the findings of the study. The fifth chapter gives the conclusions and recommendations of the study.

## **1.11 Definitions of Significant Terms**

### **Characteristics:**

Refers to key personal and organizational features of women entrepreneurs in small scale enterprises. **Business management skills:**

Set of abilities that an ideal manager needs to possess. It is about taking the right decisions and getting them executed by the right people. Thus, they are indeed all those things that effective management professionals do.

### **Economic:**

The social science that analyzes the production, distribution, and consumption of goods and services.

### **Information and Communication Technology:**

The making, modification, usage, and knowledge of tools, machines, techniques, crafts, systems, and methods of organization, in order to solve a problem, improve a preexisting solution to a problem, achieve a goal, handle an applied input/output relation or perform a specific function.

**Social cultural factors:**

Set of beliefs, customs, practices and behavior that exists within a population. International companies often include an examination of the socio-cultural environment prior to entering their target markets.

**Informal settlements:**

Refers to urban slums without well-structured social amenities.

**Performance:**

Refers to the overall operations undertaken by women entrepreneurs in small and medium enterprises in order to increase profit levels.

**Small Scale Enterprise:**

Refers to a business undertaking whose capital is exceeding Ksh. 30,000 and not exceeding Ksh. 150,000.

**Women entrepreneurs:**

Refers to women proprietors of small and medium enterprises.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this section, literature works from various authors surrounding factors that influence the performance of businesses run by women was reviewed. Literature in relation to the variables under study namely: business management skills, economic factors, social and cultural factors and finally Information and Communication Technology were looked at. The chapter further presented the theoretical framework and the conceptual framework.

#### **2.2 The concept of Women entrepreneurship**

Feminist theory as a growing body of literature has been recognized to influence the thinking on what can explain the differences between women's and men's approaches to entrepreneurship. Many studies have found lower performance for women-owned businesses, giving rise to what has been termed as the "female underperformance hypothesis" Rietz and Henrekson(2000). Others dispute this claim, suggesting that for women, economic success may not be as important as personal satisfaction and other intrinsic goals.

The issue of women entrepreneurship is becoming increasingly popular across the globe. The participation of women is increasingly being viewed as one of the prime contributors in economic growth. Irrespective of their involvement in small/medium-scale enterprises or in the informal/formal sectors, their contribution to output and value addition is substantial. Women entrepreneurship is not only necessary for their economic survival but also for strengthening the social system; Verheul et al (2006).

Fostering women's entrepreneurship development is therefore crucial for economic growth and development. Participation of women entrepreneurs in small business enterprises is very encouraging in some African countries; Sub-Saharan Africa Trade and Economic Cooperation Forum Report (2003). The participation of women entrepreneurs in MSE sector in Kenya is lower (47.7 per cent) than that of Ethiopia, however there have been indications of their dominance in leather and textile, retail, entertainment, and other manufacturing sectors. Though the Tanzanian situation is not very clear it has been indicated that women made up about 36 per cent of the SME sector in Tanzania. Over 75 per cent of female employment in the sector was reported to be in the trade, restaurant, or

hotel category. In Uganda, women constitute about 70 per cent of the rural workforce; many engage in agriculture-related SMEs to fulfill their food and security related needs. However, they are doubly disadvantaged owing to little or no start-up capital and limited access to credit, Enid et al. (2005).

Small-scale enterprises have a great capacity to alleviate unemployment and to contribute to the economic growth of the country, Anduaem (2003). Kenya is one of the developing countries where the small-scale enterprises are estimated to employ 1.5 million people. Out of these 1.5 million people that participate in small-scale enterprises the proportion of women is high as small-scale enterprises are an important source of livelihood for women in Kenya, Reta (2000). In studying the participation in small-scale enterprises, the survey conducted by the CSA in 2004 covering 48 towns indicated that 65 per cent of the informal sector activities are owned and run by women. With increasing poverty and a high rate of female heads of households both in urban and rural areas (35 and 20 per cent, respectively), women have inevitably become major actors in this sector, Desta (1999). The women small-scale entrepreneurs which make up the majority of the small-scale entrepreneurs face a number of constraints like lack of capital, technical and managerial know-how, and a lack of access to credit, markets, raw materials and services necessary to improve their income and standard of living, Reta (2000).

Gakure (2004) stresses an urgent need to empower women in the SME sector in order to develop them as sustainable wealth creators and a "Starting Point" in SME development. Further, it has been observed that women, through increased participation in income generating activities, can contribute to stability and a reduction in social problems, Tesfaye (2003). But, there are wide variety of constraints impending upon women entrepreneurs, such as: social acceptability, gender biases, family responsibilities, political instability, poor infrastructure, high-production costs, poor access to market information, limited access to Information and Communication Technology and finances, poor linkages with support services, gaps between policy and its implementation, and an altogether unfavorable business environment. Moreover, rapid technological changes and globalization has impeded women's advances on entrepreneurial front. Studies conducted in the recent past have found that women entrepreneurs encounter more operational and strategic impediments than their male counterparts, Rutashobya (2001).

### **2.3 Factors influencing Women entrepreneurship**

The most popular themes in entrepreneurship research have traditionally revolved around micro-level factors including opportunity recognition, motivation, financing and performance. Opportunity

identification is considered a mainstream fundamental issue in entrepreneurship research, given that it is an important entrepreneurial capability and a source of competitive advantage, DeTienne and Chandler(2007).

Gender differences in opportunity identification have been linked to differences in human capital variables including education and work experience, with men documented to leverage significantly higher levels of prior industry or entrepreneurial experience as well as experience in managing employees than women. Carter and Williams(2003). While men and women may indeed have unique and differentiated stocks of human capital as recently implied by DeTienne and Chandler (2007), the evidence generally suggests that women have less human capital to bring to self-employment which negatively impacts their opportunity identification and exploitation potential.

The motives for pursuing entrepreneurship have also received systematic attention, with various authors referring to gender inequality as a push factor for female entrepreneurship in developed and developing economies Aidis et al., (2007). In other words, for many female entrepreneurs, the choice of self-employment may reflect the restricted structure of opportunities in the labor market, labor market discrimination or glass ceiling career problems, with self-employment often perceived as a survival strategy, or as a means of providing flexibility in work scheduling and reconciling multiple roles. Baughn et al., (2006). Pull factors are also important revolving around opportunities for independence, challenge, initiative as well as the success and satisfaction derived through entrepreneurship, Baughn et al., (2006), with research suggesting different sets of career satisfiers for men and women entrepreneurs, revolving around status attainment for the former and social relationships and goals for the latter. Eddleston and Powell (2008).

### **2.3.1 Business management skills**

Early studies examining the management of female owned firms drew on contemporaneous debates within the mainstream small firms' literature to focus on issues such as employment relations, generic small business management issues and broad descriptions of management processes. Allen and Truman(1994). More recent studies have continued to examine issues of management within female owned enterprises, but the field has become more specialized and concentrated around a number of distinctive themes.

A recurrent issue within the research has been the assessment of women's management style and approaches to leadership. Echoing the gender and leadership debates within the field of management

science in the 1980s, researchers have attempted to investigate whether female entrepreneurs manage their firms in a qualitatively different way than do men. Gardiner and Tiggemann(1999). The assumption that women are “better at relationship oriented skills while men excel at task-oriented skills” has been refuted by some researchers, Leahy and Eggers(1998), although the stereotypical view persists. In a recent article, Buttner (2001) reported that the management styles of female entrepreneurs was best described using relational dimensions such as mutual empowering, collaboration, sharing of information, empathy and nurturing. Importantly, these dimensions, which have also been associated with women in different professional occupations, were deemed to be associated with firm performance, particularly with regard to employee retention and esprit-de-corps.

Perhaps a more interesting element of the management literature has been an examination of the connections between women, entrepreneurship and the family. Informed by sociological perspectives, researchers such as Baines and Wheelock (1998) and Ram and Holliday (1992) have explored these connections by “pushing the family to the forefront of the analysis” (Baines and Wheelock, 1998). While the business-home nexus had been explored in earlier analyses, specifically from the perspective of role-conflict (Stoner et al, 1990), contribution of spouses (Nelson, 1989) and career development; Cromie and Sullivan (1999), this new strand of the research draws on qualitative and contextual case study data to tease out the exact dimensions and processes of the interaction. A rather different strand of the family women’s business literature has focused on ‘copreneurial’ marital partners who own and manage a small business together. Smith (2000). While focusing on similar issues such as work-home boundaries and the persistence of traditional gender roles, this strand highlights the inherent difficulties in precisely defining women’s involvement in enterprise. The predominance of family ownership within the SME sector makes it impossible to precisely delineate the extent of women’s involvement in enterprise and differentiate gender-based management styles and processes.

Over the past ten years, research investigating gender and enterprise has developed to encompass more sophisticated methodologies and more robust sampling procedures. An increasing theoretical sophistication, particularly noticeable in the engagement with sociological and feminist approaches which have opened up the field to include insights into race, class and family issues, is starting to produce a more complete and nuanced picture of women’s participation in the small firms sector. At the same time, the research effort has improved as a result of growing research specialization. Within the area of gender and enterprise management, the focus of investigation has evolved to concentrate on smaller, but more precisely defined aspects. An important development in the contemporary field

is the focus on the effect of gender on both the experience of self-employment and the relative performance of small businesses. Marlow (1997). Two recurrent themes have emerged from this work. Following work by Fay and Williams (1993) in New Zealand, a major research theme has been the effect of gender differences in business financing. Developments have also been seen in the analysis of female entrepreneurs' use of business networks. Katz and Williams (1997).

### **2.3.2 Economic factors**

Several studies have suggested that it is both more difficult for women to raise start up and recurrent finance for business ownership and that women encounter credibility problems when dealing with bankers Carter and Rosa (1998). Other studies have not confirmed this, Haynes and Haynes (1999). The debate has continued largely because of the difficulties for researchers in providing clear and unequivocal evidence Mahoot (1997).

Nevertheless, within the most recent research there are signs that a consensus is beginning to emerge, at least within some of the issues. Four areas of the financing process have been consistently noted as posing particular problems for women. First, women may be disadvantaged in their ability to raise startup finance. Carter and Rosa (1998). Second, guarantees required for external financing may be beyond the scope of most women's personal assets and credit track record. Riding and Swift (1990).

Third, finance for the ongoing business may be less available for female owned firms than it is for male enterprises, largely due to women's inability to penetrate informal financial networks. Greene et al (1999). Finally, female entrepreneurs' relationships with bankers may suffer because of sexual stereotyping and discrimination.

More recent studies have extended the gender and finance debate further by considering the role of banks in providing finance to female business owners. In development of an 'asymmetric information' approach (Fletcher, 1994), gender researchers have attempted to determine whether banks have (unstated) differential lending policies to male and female business owners and, if so, whether these policies are a result of unwitting socialization or outright discrimination. Coleman (2000). In a study undertaken in New Zealand, Fay and Williams (1993) found some evidence that women encounter credit discrimination in seeking start-up funding, although the study concluded that this was not necessarily the fault of the banks "Commercial banks are risk averse institutions. Confronted by applications for finance from individuals with limited education and experience in the area they wish to operate and low proposed personal equity, as is commonly the case for would be



female proprietors, loan officers not surprisingly refuse requests for finance. Bank staff is not guilty of discrimination in such situations. Rather, applicant's socialization and work related experiences have disadvantaged them compared to male proprietors"

Nevertheless, Fay and Williams emphasize (1993) that the existence of discriminatory behavior as a consequence of prejudice and stereotyping can be demonstrated only when all relevant factors up to the point of loan application have been equalized. Researchers of female entrepreneurship are still a long way from being able to control factors so precisely. As Brush (1992) points out, this area has been studied insufficiently to enable firm conclusions to be reached. Nevertheless, various studies have concluded that bank officer training would be a valuable contribution at least in the reduction of women's perceptions of discrimination. Fabowale et al (1995).

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts.

Market liberalization leads to increased competition which demands swifter response to the market. SMEs thus face competition from transnational corporations as well as from efficient low wage, low cost producers in other developing countries, and need to engage in active Information and Communication Technology and skill upgrading, and more efficient quality management in order to stay competitive. This may require fast and easy access to capital, something that women entrepreneurs often lack. Unfamiliarity with the external world and lack of ease in moving around in it also hampers women when it comes to dealing with a multiplicity of agencies in setting up or running a business. Thus, even when they do have professional competence and training, women are often forced to turn to male professionals for assistance. Sidani (2002).

### **2.3.3 Social and cultural factors**

Slovic (2000) concluded that sociopolitical factors could be key determinants of gender differences in risk perception. He also argues that the differences in risk perception could be linked to issues of power and influence or rather women's lack of access to them. Slovic (2000) argues that "differences in perceptions and attitudes point towards the role of power, status, alienation, trust, perceived government responsiveness and other sociopolitical factors in determining perception and acceptance of risk." Similarly, Brush (1998) concluded that in all OECD countries "women encounter social structures in work, family and social life that influence development of human and social capital, different from their male counterparts. This argument is based on the premise that the entrepreneur starts with a set of endowments both "human and social capital" Brush (1998).

The influence of differences in these "endowments" Brush (1998) is explored by a number of authors. Ljunggren and Kolvereid (1996) found that there was no gender difference in regard to complying with social pressure concerning business start-up but women perceived stronger social support at the start-up phase. Ljunggren and Kolvereid (1996) believe that this may be due to women spending more time building support for their idea and being reluctant to start before having social support or perhaps it is because it is the type of business that requires more support.

The studies of gender and roles extended beyond the entrepreneurial venture into other areas of women's lives, beginning with issues related to career choices and running through spousal and family relationships. Early social learning experiences were related to career decisions. These foundations were explored in the context of entrepreneurial careers with the authors concluding that males have a higher preference for entrepreneurship; Mathews & Moser (1996), largely because of their levels of self-efficacy and expectations. Scherer, Brodzinski, & Wiebe (1990). As women have taken on additional life roles, the questions have become even more complex. Holliday et al, (1993) conducted a study of how women integrate the business and social lives. The authors drew heavily on sociological theory to interpret women's roles in small businesses, particularly those roles related to authority. Using an ethnographic approach, they found examples of both compassion and support for women, but also evidence of sexual harassment. The relationship between work-family connections and economic success confirmed support for gender similarity rather than for a gender difference model. However, the research uncovered vestiges of traditional gender roles consistent with a gender difference model – primarily in the context of marriage. Loscocco & Leicht (1993). Role models, self-assurance, and marriage were positively related to the supply of female entrepreneurs while

education and experience were negatively correlated with entrepreneurship but positively correlated with entrepreneurial performance. Schiller & Crewson (1997).

The pull between family and work and the multiple other social roles that women play can be seen in how role conflict is experienced – regardless of family structure or time spent at work. This conflict was found to be more prevalent in owners with lower self-esteem or self-worth. Stoner et al. (1990). One study found the relationship between time commitment to work and time commitment to family mediated the effect of role demands Parasurama et al. (1996). As part of the consideration of these roles, the contribution of both expressive and instrumental support from the spouses was often provided anecdotally. Greene (1993). In a study of 48 attendees at an entrepreneurship education program, Birley et al. (1986) found that men received support from their spouses in their business enterprises more often than did women. Biggart (1988) includes many incidences of women involved in direct selling activities, who were required to work around their spouses, rather than receiving support from them. In the U.K, contribution of a spouse's labor was seen as a vital resource. Baines & Wheelock (1998). Ownership structures were found to be important with husband/wife partnerships having low growth aspirations. Chell & Baines (1998) while owners with business partners other than a spouse were more likely to be growth oriented. Baines & Wheelock (1998).

### **2.3.4 ICT**

The potential benefits of ICT are noted globally in all fields. It creates new types of economic activity and employment opportunities by changing the nature of work, the range of occupations and skills requirements. ICT contributes to business efficiency, productivity, and profitability by reducing transaction costs and creating new opportunities to directly market products and services. It offers new methods of education and training such as distance learning, lifelong education, alternatives to formal education, and community-based learning Hafkin (2002).

Women's empowerment in the knowledge society denotes that women possess the capacity, skill and resources to access, manage and produce information for their needs by means of ICT. These technologies inherently make possible flexibility in time and place, offering great possibilities for women in view of their multiple roles. However, the digital divide within and among countries by gender, age and wealth has given rise to serious debate that ICT may broaden the existing inequalities between the "haves" and "have-nots" of ICT. Rural women, especially in developing countries, are at the lowest strata in terms of ICT utilization owing to a general lack of resources and capabilities. Upon this backdrop, special attention has been given to rural women and girls in the

international context to ensure their access to and use of ICT for their economic and social empowerment. With an appropriate framework, national policy can foster participation and redress issues of ICT marginalization. Policies can influence content, access, competition and the availability and spread of infrastructure in rural areas. Although there are low policy priorities to support rural ICT initiatives, particularly those directed at rural women, most developing countries are now adopting policies to break down the monopoly of telecommunication services, with rural development as a target outcome. Harris (2004). However, governments must acknowledge their role as leaders and enablers and implement effective ICT policies that specifically target rural women as beneficiaries.

Whether at global or national level, women are underrepresented in all ICT decision-making structures, including policy and regulatory institutions, ministries responsible for ICTs, and boards and senior management of private ICT companies. Deregulation and privatization of the telecommunications industry is also making decisions in this sector less and less accountable to citizens and local communities, further compounding the problems experienced, particularly by business women who are remotely located, in gaining access to decision making and control of resources. Nicol, ed. (2003). Limited information is available with regard to how rural women utilize ICT and e-business since ICT statistics are limited on disaggregated data by gender and by geographic location. However, by the female participation as Internet users in selected countries, it is possible to infer that the status of e-business use by women in developing countries like Kenya is low.

At the most basic level and beyond technical barriers, it is clear that women entrepreneurs lack a profound awareness of the benefits of ICT and how to utilize them. Fundamental awareness of ICT and its potential to create development opportunities (through applying it to trade, agriculture, health care, governance, education etc.) is an integral part of the process of motivating women to adopt such strategies. UNDAW (2005).

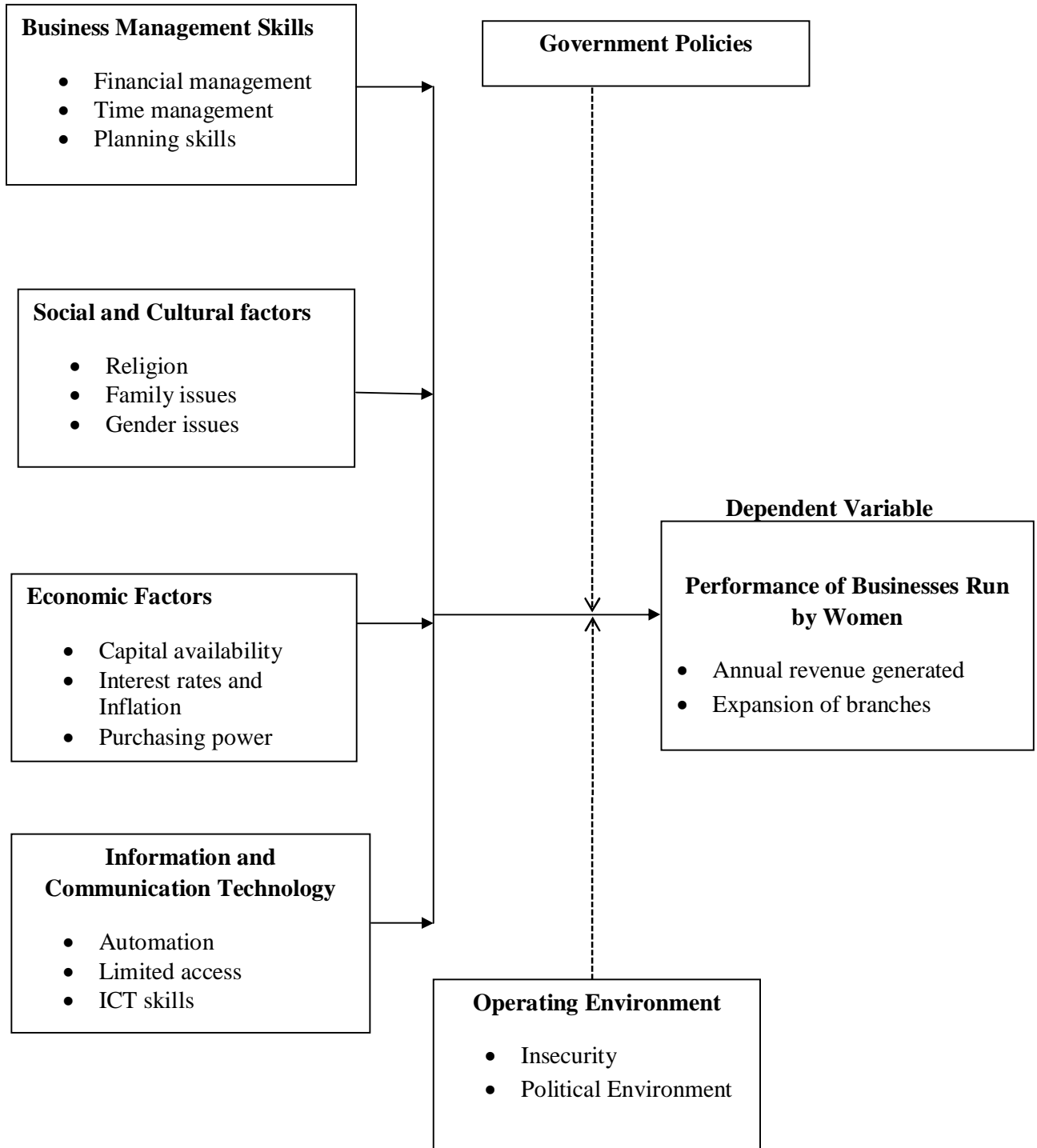
The cost of IT hardware and software for the rural population is prohibitively expensive. As women tend to have less disposable income to spend than men, especially when they have responsibilities to meet other needs (food, education etc.) that have higher priority, economic affordability limits access to Information and Communication Technology. These responsibilities mean that women have less time and choice when it comes to spending their money. Time on the other hand is a constraint particularly felt by women who have scarce time resource, given their productive and reproductive

obligations. ICT adoption or any activity meant to improve or enhance their lives must be perceived as a way to save time, provide flexibility and increase efficiency rather than adding to their responsibilities Hafkin (2002).

## **2.4 Conceptual Framework**

Mugenda and Mugenda (2003) say a conceptual framework is a graphical or diagrammatic representation of the relationship between variables in a study. It helps the researcher see the proposed relationship between the variables easily and quickly. In this study, the conceptual framework is based on independent variables which are business management skills, social-cultural factors, economic factors, business networks and Information and Communication Technology as independent variables while the dependent variable is the performance of women in business.

**Independent Variables**



**Intervening variable**

Figure 1: Conceptual Framework

## **2.5 Summary of Literature Reviewed**

Feminist theory as a growing body of literature has been recognized to influence the thinking on what can explain the differences between women's and men's approaches to entrepreneurship. Many studies have found lower performance for women-owned businesses, giving rise to what has been termed as the "female underperformance hypothesis" Rietz and Henrekson (2000). Others dispute this claim, suggesting that for women, economic success may not be as important as personal satisfaction and other intrinsic goals.

The involvement of women is increasingly being viewed as one of the major contributor in economic growth. The participation of women entrepreneurs in MSE sector in Kenya is lower (47.7 per cent) than that of Ethiopia, however there have been indications of their dominance in leather and textile, retail, entertainment, and other manufacturing sectors.

Study by Gakure (2004) focuses on empowering women in the SME sector in order to develop them as sustainable wealth creators and a "Starting Point" in SME development. Tesfaye (2003) studied on how women participation in income generating activities, can contribute to stability and a reduction in social problems but no study have dealt specifically with factors that influence the performance of businesses run by women thus to fill this research gap the study examined the examine the factors that influence the performance of businesses run by women.

## **CHAPTER THREE**

### **RESEARCH METHDOLOGY**

#### **3.1 Introduction**

The chapter gives a description of the research methodology that was used during the study. It describes the sampling methods used, data collection instruments and the procedure of data collection; finally it describes the appropriate data analysis method which was used to generate the data.

#### **3.2 Research design**

A research design is a master plan/framework or blue print specifying the methods and procedures for collecting and analyzing the needed information. The study adopted the descriptive research design. This type of research design reports things the way they are and attempts to describe such things as possible behavior, attitudes, values and characteristics. This research design is also suitable because it is concerned with describing the characteristics of a particular individual or group of individuals. Kothari (2005).

#### **3.3 Target population**

According to Mugenda and Mugenda (2003), the target population is that population to which a researcher wants to generalize the results of the study. Target population as defined by Borg and Gall (1959), as a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population for this study was 1000 female entrepreneurs in Kiambu town.

#### **3.4 Sample size and sampling procedures**

According to Orodho (2003), sampling refers to the process of selecting units (such as people, organizations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen. A sample therefore is a subset of elements from a population. Sampling is the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which was selected. A stratified sampling was used in the study because Kiambutown is composed of several women entrepreneurs engaging business and our target was only



women in small and medium businesses. The sample size is 100 women running businesses in Kiambu town.

### **3.5 Research instruments**

The main instrument for data collection was questionnaires that allowed for uniformity of responses to questions. The questionnaire is a fast way of obtaining data as compared to others instruments. Mugenda&Mugenda(2003). Questionnaires give the researcher comprehensive data on a wide range of factors. Both open-ended and closed-ended items were used.The questionnaire comprised of two sections, Section 1 gathered information on the demographic profile of the business women while section 2 gathered information on sources of capital for the business, the kind of businesses operated by women, duration of conducting business and the challenges faced in business. Questionnaires allowed a greater uniformity in the way questions are asked, ensuring greater compatibility in the responses.

### **3.6 Reliability of instruments**

According to Borg et al (1989) reliability is the degree to which a test measures what it purports to measure. All assessments of reliabilitywere subjective opinions based on the judgment of the researcher Wiersma (1995). Creswell (2009) suggests that, to use an existing instrument, describe the established validity and reliability of scores obtained from past use of the instrument. Reliability is the extent to which a questionnaire or any measurement procedure produces the same results on repeated trials. It is the stability or consistency of scores over time or cross rates. The reliability was measured so as to find out the degree to which the measuring items would give similar results over a number of repeated trials. A Cronbach's Alpha method was used to estimate the degree to which the same results were obtained with a repeated measure of accuracy of the same concept in order to determine the reliability of the instrument.

### 3.6.1 Reliability analysis

Table 3.1: Reliability Analysis for the variables

<b>Scale</b>	<b>Cronbach Alpha</b>	<b>Item</b>
Business management skills	0.920	9
Socio-cultural factors	0.857	4
Economic factors	0.803	12
Information and Communication Technology	0.692	4
<b>Average (All Scales)</b>	<b>0.818</b>	<b>29</b>

Reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. The Alpha measures internal consistency by establishing if certain items measure the same construct. Nunnally (1978) established the Alpha value threshold at 0.6 which the study benchmarked against. Cronbach Alpha was established for every objective in order to determine if each scale (objective) would produce consistent results should the research be done later on. Table 3.1 shows that all the scales were significant, having an Alpha above the prescribed threshold of 0.6. Business management skills had an Alpha of 0.920, socio-cultural factors had an Alpha of 0.857, economic factors had an Alpha of 0.803 and Information and Communication Technology had an Alpha of 0.692. When all scales were combined, the Cronbach's Alpha became 0.818.

### 3.7 Validity of instruments

Before the actual study, a pilot study was done. The questionnaire was pre-tested to a selected sample. The procedure used in pre-testing the questionnaire was similar to the actual to be used in the study. This was done in order to ensure the relevance of the items to the study, gain knowledge on how to administer the instruments, and test the validity of the instruments, thus check if there are ambiguities in the instruments. The process of developing and validating an instrument is in large focused on reducing error in the measurement process. Validity indicates the degree to which the instrument measures the constructs under investigation (Mugenda and Mugenda 1999). It also refers to the extent to which the instrument measures what it purports to measure. There are three types of validity tests which include content, criterion and related construct validity. Content validity refers to the degree to which the instrument fully assesses or measures the construct of interest. The

questionnaire provided an adequate measure that covers the content area of the research questions. Meaning the questions in the questionnaire must give adequate answers to the research questions of the study.

### **3.8 Data Collection Procedures**

The drop and pick method was used to collect data. Before initiation of the actual survey, two research assistants were identified to assist the researcher in administration of the questionnaires. The two assistants were briefed about the project and its objectives and then trained on the administration of the questionnaire to the subjects. The researcher then approached the relevant authorities to seek permission to collect data from the female entrepreneurs. The questionnaires were then hand delivered by the two assistants and handed over to the respondents for filling in. They were then collected back after one week.

### **3.9 Data Analysis techniques**

Data was checked for completeness, accuracy, errors in responses, omissions and other inconsistencies. The statistical package for social sciences (SPSS) Version 17.0 and MsExcel was then used for the purpose of coding and analysis. With this computer packages, the data and information on the questionnaires was coded using numerals in order to put them in a limited number of categories and ensure that the information provided by the respondents is captured. The computer package was automatically generated percentages, frequency distribution, tables and graphs for each item on the questionnaire. The researcher used descriptive and inferential statistics to seek answers for the study questions. In addition, Regression Analysis was used to measure the degree of correlation that exists between the independent variables and the dependant variable. The coefficient of determination was generated for this purpose to measure the strength of the relationship that exists between the variables.

### **3.10 Ethical Issues**

Ethical issues pertain to the manner in which the researcher handles the respondents. Some respondents may also feel treated as special during the research and give inaccurate or exaggerated information. Issues of right or wrong depends on one's values hence may not yield generalizable findings.

### **3.11 Operational definition of variables**

The factors that influence the performance of businesses run by women can be looked at by operationalizing the factors of performance in business. In this study the factors are business management skills, social and cultural factors, economic factors and ICT.

#### **3.11.1 Business management skills**

Effective business management requires one has to have certain basic skills. The skills required to run a business successfully are such as controlling, leading, monitoring, organizing, and planning. Management is about taking the right decisions at the right time and getting them implemented by the right people. Andre (1992) states that the most important thing one needs to have is common sense because management is the art of getting things done through people.

#### **3.11.2 Social and cultural factors**

Buttner (2001) purports that social factors are the things that collectively affect lifestyles of a society. It also entails the influence on individual behaviors depending on one's social values. Some of the factors could be religion, economic status, education, family, and politics.

Cultural factors encompasses the set of beliefs, moral values, traditions, language, and laws held in common by a nation, a community, or other defined group of people. Culturally determined characteristics include: the language spoken at home, religious observances, customs, acceptable gender roles and occupations among others. Sidani (2002).

#### **3.11.3 Economic factors**

They are set of fundamental factors that affect a business or an investment's value. For a business, key economic factors include labor costs, interest rates, government policy, taxes and management.

#### **3.11.4 ICT**

Wikipedia defines ICT as the making, modification, usage, and knowledge of tools, machines, techniques, crafts, systems, methods of organization, in order to solve a problem, improve a preexisting solution to a problem, achieve a goal or perform a specific function. It can also refer to the collection of such tools, machinery, modifications, arrangements and procedures.

25 Table 3.2: Operationalization of variables

<b>Objectives</b>	<b>Variables</b>	<b>Indicators</b>	<b>Measurements</b>	<b>Measuring Scale</b>	<b>Research Design</b>	<b>Type of Analysis</b>	<b>Tools of Analysis</b>
<b>Objective 1:</b> To determine the extent to which business management skills affect the performance of businesses run by women	<b>Independent Variable:</b> Business management skills	· Financial Management · Planning skills · Time Management	· Review of documents · Books of accounts	Ordinal	Qualitative	Descriptive	mean
<b>Objective 2:</b> TO establish the influence of socio-cultural factors on performance of businesses run by women	<b>Independent Variable:</b> Socio-cultural factors	· Religion · Gender issues · Family issues	· Type	Ordinal	Qualitative	Descriptive	mode
<b>Objective 3:</b> To assess the impact of economic factors on the performance of businesses run by women	<b>Independent Variable:</b> Economic factors	· Capital availability · Interest rates and inflation · Purchasing power	· Books of accounts	Interval	Qualitative	Descriptive	mean
<b>Objective 4:</b> To find out whether Information and Communication Technology affects the performance of businesses run by woman	<b>Independent Variable:</b> ICT	· Automation · Limited access · Information and Communication Technology skills	· Types	Nominal	Qualitative	Descriptive	mode

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

The main objective of the study was to examine the factors that influence the performance of businesses run by women. Qualitative data was analyzed through quantitative analysis. Graphs, pie charts and tables were used to present the data. The questionnaires were dropped and later picked at a later date to allow the respondents to feel the questionnaires at their own time. Once the respondents answered the questionnaire, data was then coded and analyzed using SPSS.

##### 4.1.1 Response Rate

The study targeted 100 respondents in collecting data with regard to factors that influence the performance of businesses run by women in Kiambu town. From the study, 86 respondents out of the 100 sample respondents filled-in and returned the questionnaires making a response rate of 86%. This reasonable response rate was achieved after the researcher made personal calls and physical visits to remind the respondent to fill-in and return the questionnaires.

#### 4.2 Demographic information

These are the information on characteristic of the respondents. They included marital status, level of education, other occupation and average income.

Table 4.1: Marital Status of the Respondents

	Frequency	Percentage
Single	42	48.84
Married	36	41.86
Widow	8	9.30
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the marital status of the respondents. According to the findings illustrated in Table 4.1, 48.84% of the respondents were single, 41.86% were married and 9.3% were widows. This implies that most of the business women in Kiambu were bread winners.

Table 3.2: Level of Education of the Respondents

	<b>Frequency</b>	<b>Percentage</b>
Never went to school	6	6.98
Primary school education	23	26.74
Secondary school education	42	48.84
Tertiary/College Education	15	17.44
<b>Total</b>	<b>86</b>	<b>100.00</b>

It was important for the study to establish the level of education of the respondents. From the findings illustrated in Table 4.2, 48.84% of the respondents had attained secondary school education, 26.74% had attained primary school education, 17.44% had attained tertiary/college education and 6.98% had never gone to school.

Table 4.3: Other Occupation of the Respondents Apart from Business

	<b>Frequency</b>	<b>Percentage</b>
Business only	81	94.19
Student	3	3.49
hair dresser	2	2.33
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the other occupation of the respondents apart from business. According to the findings illustrated in Table 4.3, 94.19% of the respondents had no other occupation other than business only, 3.49% were also students and 2.33% of the respondents were hair dressers.

Table 4.4: Average Income from the Business in a Month

	<b>Frequency</b>	<b>Percentage</b>
Less than Kshs. 4,999	4	4.65
Kshs.5000 to Kshs.9,999	27	31.40
Kshs.10,000 to Kshs.19,999	43	50.00
Kshs. 20,000 to Kshs. 49,999	10	11.63
Kshs. 50,000 and above	2	2.33
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the average income from the business in a month. From the findings illustrated in Table 4.4, half (50%) of the respondents earned Kshs.10,000 to Kshs.19,999 average income from the business in a month, 31.4% of the respondents earned Kshs.5000 to Kshs.9,999 average income from the business in a month, 11.63% of the respondents earned Kshs. 20,000 to Kshs. 49,999 average income from the business in a month and 4.65% of the respondents earned less than Kshs. 4,999 average income from the business in a month.

### **4.3 Factors Influencing the Performance of Women Entrepreneurs**

The women small-scale entrepreneurs which make up the majority of the small-scale entrepreneurs face a number of constraints like lack of capital, technical and managerial know-how, and a lack of access to credit, markets, raw materials and services necessary to improve their income and standard of living. There are wide variety of constraints impending upon women entrepreneurs, such as: social acceptability, gender biases, family responsibilities, politicalinstability, poor infrastructure, high-production costs, poor access to market information, limited access to Information and CommunicationTechnology and finances, poor linkages with support services, gaps between policy and its implementation, and an altogether unfavorable business environment. Moreover, rapid technological changes and globalization has impededwomen's advances on entrepreneurial front. Women entrepreneurs encounter more operational and strategic impediments than their male counterparts.

### **4.3 Business management skills**

Effective business management requires one has to have certain basic skills. The skills required to run a business successfully are such as controlling, leading, monitoring, organizing, and planning.



Table 4.5: Period the respondents had been engaged in active business

	<b>Frequency</b>	<b>Percentage</b>
1-5years	46	53.49
5-10 years	26	30.23
10-15 years	10	11.63
More than 15 years	4	4.65
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the period the respondents had been engaged in active business. According to the findings illustrated in Table 4.5, 53.49% of the respondents had been engaged in active business for 1-5 years, 30.23% of the respondents had been engaged in active business for 5-10 years, 11.63% of the respondents had been engaged in active business for 10-15 years and 4.65% of the respondents had been engaged in active business for more than 15 years. According to the assumption that women are “better at relationship oriented skills while men excel at task-oriented skills” has been refuted by some researchers, Leahy and Eggers (1998), although the stereotypical view persists. This had made many women stay in business for a long period.

Table 4.6: The main obstacles faced by the respondents when the business was started

	<b>Frequency</b>	<b>Percentage</b>
No obstacle	3	3.49
A question of self-confidence (believing in your abilities)	3	3.49
Financial issues (raising capital)	66	76.74
Lack of information / advice	4	4.65
Combining family and work life	10	11.63
<b>Total</b>	<b>86</b>	<b>100.00</b>

The respondents faced various challenges while starting the business which were important to find out. From the findings illustrated in Table 4.6, 76.74% of the respondents faced financial constraints raising capital, 11.63% of the respondents faced an obstacle in combining family and work life, 4.65% faced obstacle in lack of information/advice, 3.49% faces low self-confidence (believing in their abilities) and 3.49% did not face any obstacle. While focusing on similar issues such as work-home boundaries and the persistence of traditional gender roles, Smith(2000) highlights the inherent difficulties in precisely defining women’s involvement in enterprise. The predominance of family ownership within the SME sector

makes it impossible to precisely delineate the extent of women's involvement in enterprise and differentiate gender-based management styles and processes

The respondents stated that they were able to overcome the obstacles by organized a family and friends fundraising/Harambee, getting used of the situation, seeking advice from the successful ones and family contributions.

Table 4.7: Effect of experience in business performance

	<b>Frequency</b>	<b>Percentage</b>
Yes	82	95.35
No	4	4.65
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out if the respondents' experience in business had an effect in the performance of the business. According to the findings illustrated in Table 4.7, 95.35% of the respondents indicated that their experience in business had an effect in the performance of the business. This is because they had no skills and needed more experience on business management. In addition, 4.65% indicated that their experience in business had no effect in the performance of the business because they felt they did not encounter difficulties in managing the business. Many women do not have managerial and business start-up experience, and a high proportion of businesses started by women in the 1980's were low income, low equity, and slow growing micro enterprises. Moore (1999).

Table 4.8: Whether the respondents had any form of training in business management

	<b>Frequency</b>	<b>Percentage</b>
Yes	10	11.63
No	76	88.37
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out whether the respondents had any form of training in business management. From the findings illustrated in Table 4.8, 88.37% of the respondents indicated that they had no form of training in business management while 11.63% indicated that they training in business management. This sector suffers from a considerable high failure rate that is largely attributed to lack of management skills and planning, which can potentially be improved by providing training and education in different business areas. Soufani and Ibrahim(2002).

**Table 4.9: Impact of respondents' skills on the performance of the business**

	Frequency	Percentage
High	1	1.16
Moderate	6	6.98
Low	3	3.49
N/A	76	88.37
<b>Total</b>	<b>86</b>	<b>100.00</b>

Impact of respondents' skills on the performance of the business was rated. According to the findings illustrated in Table 4.9, 6.98% of the respondents' skills on the performance of the business was rated as moderate, 3.49% of the respondents' skills on the performance of the business was rated as low and 1.16% of the respondents' skills on the performance of the business was rated as high. Management training is constantly seen as an effective way of providing small and medium enterprise owners with the management expertise and entrepreneurial competencies they require in order to develop and grow. Soufani and Ibrahim (2002).

Training contributes to success to the business by giving the owners self confidence in the business. It also helps to manage skills thus improving the work and it helps the entrepreneurs to acquire and use of skills such as, customer care and communication skills. For those who lack of business management skills, this had affected their business by not being able to employ other people, having poor financial management, poor communication skills and poor customer care skills. Women most commonly cited autonomy; especially for flexible work hours and workload to accommodate family and house hold demand. Smith (2000). Subscribing to the Schumpeterian view that careful management alone does not address the requirements of a competitive system, previous studies focused on innovation, a key tenet of entrepreneurship as offering the best prospect of theorizing an entrepreneurial organization. Woods et al,(2000).

If the respondents got trained on business they would benefit if they got trained on business management in terms of time management, planning skills and financial management. They would be more classic and improved than now. They would be more financially stable and able to support their family without much struggle. It would help them able to expand by opening more branches across the country. Unlike large organizations, small and medium enterprises have little resources. Thus, the entrepreneur must have management skills to

perform various functions effectively. In other words, the entrepreneur is expected to assume the role of functional managers that are found in large organizations. Soufani and Ibrahim, (2002).

#### 4.4 Social and cultural factors

Social factors are the things that collectively affect lifestyles of a society. Some of the factors could be religion, economic status, education, family, and politics. Cultural factors encompasses the set of beliefs, moral values, traditions, language, and laws held in common by a nation, a community, or other defined group of people.

Table 4: Whether gender affects the performance of the business

	<b>Frequency</b>	<b>Percentage</b>
Yes	6	6.98
No	80	93.02
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out whether gender affects the performance of the business. According to the findings illustrated in Table 4.10, 93.02% of the respondents indicated that gender did not affect the performance of the business. This is because women can do better in business if given a chance and if they are interested in becoming business entrepreneurs. In addition, 6.98% indicated that gender affected the performance of the business because as women, they were they also have responsibilities of taking care of the family as well. There was a belief that men were good in selling ladies products than women so penetrating into the market as a woman was challenging. Similarly, Brush (1998) concluded that in all OECD countries “women encounter social structures in work, family and social life that influence development of human and social capital, different from their male counterparts. This argument is based on the premise that the entrepreneur starts with a set of endowments both “human and social capital” Brush(1998).

Table 4.11: If religious beliefs affected/determined how to conduct business

	<b>Frequency</b>	<b>Percentage</b>
Yes	4	4.65
No	82	95.35
<b>Total</b>	<b>86</b>	<b>100.00</b>

It was important to find out if religious beliefs affected/determined how to conduct business. According to the findings illustrated in Table 4.11, majority (95.35%) of the respondents indicated that religious beliefs did not affect/determine how to conduct business. In addition, 4.65% of the respondents indicated that religious beliefs affected/determined how to conduct business.

Table 5.12: Whether immediate or extended family affected how they ran the businesses

	<b>Frequency</b>	<b>Percentage</b>
Yes	6	6.98
No	80	93.02
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out whether immediate or extended family affected how they ran the businesses. From the findings illustrated in Table 4.12, 93.02% of the respondents indicated that immediate or extended family did not affect how they ran the businesses. This was because they had managed to separate business from family. In addition, 6.98% of the respondents indicated that immediate or extended family affected how they ran the businesses. This was mainly due to family issues and time management. Biggart (1988) includes many incidences of women involved in direct selling activities, who were required to work around their spouses, rather than receiving support from them.

Table 4.13: Social and cultural factors that affect the performance of business

	<b>Frequency</b>	<b>Percentage</b>
Yes	2	2.33
No	84	97.67
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out whether there are other social and cultural factors that affect the performance of the business whether positively or negatively. According to the findings illustrated in Table 4.13, 97.67% of the respondents indicated that there were no other social and cultural factors that affect the performance of the business whether positively or negatively while 2.33% indicated that there were other social and cultural factors that affected the performance of your business whether positively or negatively. Vestiges of traditional gender roles consistent with a gender difference model – primarily in the context of marriage Loscocco&Leicht(1993). Role models, self-assurance, and marriage were positively related to the supply of female entrepreneurs while education and experience were negatively correlated with entrepreneurship but positively correlated with entrepreneurial performance Schiller &Crewson(1997).

#### 4.5 Economic factors

They are set of fundamental factors that affect a business or an investment's value. For a business, key economic factors include labor costs, interest rates, government policy, taxes and management. Finance for the ongoing business may be less available for female owned firms than it is for male enterprises, largely due to women’s inability to penetrate informal financial networks.

Table 6: If the respondents had enough capital to run the business

	<b>Frequency</b>	<b>Percentage</b>
Yes	82	95.35
No	4	4.65
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out if the respondents had enough capital to run the business. According to the findings illustrated in Table 4.14, 95.35% of the respondents indicated that they had enough capital to run the business. They explained that they were stable to support business. Some said the business was not up to standard. Others indicated that they were new business thus manageable. They had established wiser customer base which was done by offering quality services. In addition, 4.65% of the respondents indicated that they did not have enough capital to run the business. They explained that the businesses serve the families thus not very stable. They had experienced economy fluctuations which had made the products to become more expensive. The respondents were therefore planning to fund the

businesses by taking a loan while few were not yet decided. It is both more difficult for women to raise start up and recurrent finance for business ownership and that women encounter credibility problems when dealing with bankers. Schwartz(1976).

Table 7: Loan taken from a bank or any other financial institution

	<b>Frequency</b>	<b>Percentage</b>
Yes	6	6.98
No	80	93.02
<b>Total</b>	<b>86</b>	<b>100.00</b>

It was important for the study to find out if respondents had ever taken a loan from a bank or any other financial institution. According to the findings illustrated in Table 4.15, 93.02% of the respondents indicated that they had never taken a loan from a bank or any other financial institution while 6.98% of the respondents indicated that they had taken a loan from a bank or any other financial institution. Those who had taken loan they used it to lay foundation of the business. Guarantees required for external financing may be beyond the scope of most women's personal assets and credit track record. Hisrich and Brush(1986).

Table 4.16: Period the respondents had been repaying for the loan

	<b>Frequency</b>	<b>Percentage</b>
N/A	80	93.02
Less than one year	2	2.33
1-2 years	3	3.49
2-3 years	1	1.16
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the period the respondents had been repaying for the loan. According to the findings illustrated in Table 4.16, 3.49% of the respondents indicated that they had been repaying the loan for 1-2 years, 2.33% of the respondents indicated that they had been repaying the loan for 2-3 years and 1.16% of the respondents indicated that they had been repaying the loan for less than one year.

Table 4.17: Effect of amount of loan given on the performance of the business

	<b>Frequency</b>	<b>Percentage</b>
N/A	80	93.02
Yes	5	5.81
No	1	1.16
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out whether the amount of loan the respondents were given had any effect on the performance of the business. According to the findings illustrated in Table 4.17, 5.81% of the respondents indicated that the amount of loan given had effect on the performance of the business. They explained that this helped to increase stock thus sales. In addition, 1.16% of the respondents indicated that the amount of loan given had no effect on the performance of the business.

Table 4.18: Problem experienced with type of the interest rate chosen and the loan repayment

	<b>Frequency</b>	<b>Percentage</b>
N/A	80	93.02
Yes	2	2.33
No	4	4.65
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out if the respondents were experiencing any problem with the type of the interest rate chosen and the loan repayment. From the findings illustrated in Table 4.18, 4.65% of the respondents indicated that they were not experiencing any problem with the type of the interest rate chosen and the loan repayment. On the other hand, 2.33% of the respondents indicated that they were experiencing problems with the type of the interest rate chosen and the loan repayment.

Table 4.19: If the respondents had paid any amount on top of what they borrowed

	<b>Frequency</b>	<b>Percentage</b>
N/A	80	93.02
Yes	2	2.33
No	4	4.65
<b>Total</b>	<b>86</b>	<b>100.00</b>



It was significant for they study to find out if the respondents had paid any amount on top of what they borrowed. According to the findings illustrated in Table 4.19, 4.65% of the respondents indicated that they had not paid any amount on top of what they borrowed. In addition, 2.33% of the respondents indicated that they had paid amount on top of what they borrowed. The amount paid on top was used for processing the loan.

Table 4.20: Customers the respondents targeted in the business

	<b>Frequency</b>	<b>Percentage</b>
middle class customers	30	34.88
high class	6	6.98
low class	10	11.63
both middle and low class	40	46.51
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out the customers the respondents targeted in the business. According to the findings illustrated in Table 4.20, 46.51% of the respondents indicated that they targeted both middle and low class customers, 34.88% of the respondents indicated that they targeted middle class customers, 11.63% of the respondents indicated that they targeted low class customers and 6.98% of the respondents indicated that they targeted high class customers.

#### 4.6 ICT

ICT contributes to business efficiency, productivity, and profitability by reducing transaction costs and creating new opportunities to directly market products and services. Women's empowerment in the knowledge society denotes that women possess the capacity, skill and resources to access, manage and produce information for their needs by means of ICT. These technologies inherently make possible flexibility in time and place, offering great possibilities for women in view of their multiple roles.

Table 4.21: If the respondents had any computer skills

	<b>Frequency</b>	<b>Percentage</b>
Yes	36	41.86
NO	50	58.14
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out if the respondents had any computer skills. From the findings illustrated in Table 4.21, 58.14% of the respondents indicated that they had no computer skills while 41.86% of the respondents indicated that they had computer skills. There are low policy priorities to support rural ICT initiatives, particularly those directed at rural women, most developing countries are now adopting policies to break down the monopoly of telecommunication services, with rural development as a target outcome. Harris (2004).

Table 4.22: Skills the respondents had and used to run their business

	<b>Frequency</b>	<b>Percentage</b>
business management	20	23.26
Public relations	26	30.23
Computer skills	10	11.63
None	30	34.88
<b>Total</b>	<b>86</b>	<b>100.00</b>

It was significant for the study to find out the skills the respondents had and used to run their business. According to the findings illustrated in Table 4.22, 34.88% of the respondents indicated that they had no skills, 30.23% of the respondents indicated that they had public relations skills, 23.26% of the respondents indicated that they had business management skills and 11.63% of the respondents indicated that they had computer skills. Computer skills were used to advertise and market goods on social media net such as Facebook, Google. In order to run the businesses better most women wished to acquire business networking skills using internet, customer care skills and business management skills. Drucker (1985) supports the same view, that innovation is the key characteristic of an entrepreneurial business. Innovation in products and services is a key component of a small businesses' set of entrepreneurial actions necessitated by the firm's desire to grow. Woods et al (2000).

#### **4.7 Other Factors**

Table 4.23: Efforts made by the government to improve the general skills of women

	<b>Frequency</b>	<b>Percentage</b>
Yes	56	65.12
No	30	34.88
<b>Total</b>	<b>86</b>	<b>100.00</b>

The study sought to find out if the efforts being made by the government would help to improve the general skills of women in entrepreneurship. According to the findings illustrated in Table 4.23, 65.12% of the respondents indicated that the efforts being made by the government would help to improve the general skills of women in entrepreneurship while 34.88% of the respondents indicated that the efforts being made by the government would not help to improve the general skills of women in entrepreneurship. This would help to improve life. Most family bread winners are women thus lifestyle would change. Other factors within the environment that affected the performance of the business were competition, capital and lack of awareness.

#### 4.8 Regression analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 17.0) to code, enter and compute the measurements of the multiple regressions

Table 4.24: Multiple regression between performance of businesses (dependent variable) and the predictors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893	.797	.714	.1953

a. Predictors: (Constant), Economic factors, Socio-cultural factors, Information and Communication Technology, Business management skills.

R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted  $R^2$ , also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 71.4% of the changes in the performance of businesses run by women variables could be attributed to the combined effect of the predictor variables.

Table 4.25: ANOVA results of the regression analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.236	4	3.112	3.263	.0001
	Residual	92.936	82	.641		
	Total	115.081	86			

a. Predictors: Economic factors, Socio-cultural factors, Information and Communication Technology, Business management skills.

b. Dependent Variable: Performances of businesses run by women.

The probability value of 0.0001 indicates that the regression relationship was highly significant in predicting how economic factors, socio-cultural factors, Information and Communication Technology, business management skills influenced performance of businesses run by women. The F critical at 5% level of significance was 3.263 since F calculated is greater than the F critical (value = 2.830), this shows that the overall model was significant.

Table 4.26: Regression coefficients of performance of businesses and predictive variables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.835	0.521		4.312	0.000
	Business management skills	+0.628	0.231	0.241	3.346	0.025
	Economic factors	+0.792	0.159	0.632	3.256	0.005
	Socio-cultural factors	+0.581	0.193	0.154	3.381	0.032
	Information and Communication Technology	+0.361	0.203	0.142	3.492	0.056

a. Dependent Variable: performance of businesses run by women

The regression equation above has established that taking all factors into account (economic factors, socio-cultural factors, Information and Communication Technology, business management skills) constant at zero performance of businesses run by women will be 4.835. The findings presented also show that taking all other independent variables at zero, a unit increase in economic factors would lead to a 0.792 increase in the performance of businesses

run by women. Further, the findings shows that a unit increases in business management skills would lead to a 0.628 increase in performance of businesses run by women. In addition, the findings show that a unit increase in socio-cultural factors would lead to a 0.581 increase in performance of businesses run by women. The study also found that a unit increase in the scores of Information and Communication Technology would lead to a 0.361 increase in performance of businesses run by women. Overall, Information and CommunicationTechnology had the least effect on performance of businesses run by women and economic factors had the highest effect.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter provides the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to investigate the factors that influence the performance of businesses run by women.

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

The study aimed at determining the extent to which business management skills affected the performance of businesses run by women. It also aimed at determining the influence of socio-cultural factors, impact of economic factors and whether Information and Communication Technology affected the performance of businesses run by women.

The study found that 53.49% of the respondents had been engaged in active business for 1-5 years. In addition, 76.74% of the respondents faced financial challenges (raising capital), an obstacle in combining family and work life, lack of information/advice on business management and issues with self-confidence (believing in their abilities). Moreover, 95.35% of the respondents indicated that their experience in business had an effect in the performance of the business. Also, 88.37% of the respondents indicated that they had no form of training in business management. Respondents' skills on the performance of the business were rated as moderate.

The study established that 93.02% of the respondents indicated that gender did not affect the performance of the business. Women would do better if given a conducive environment to conduct business. In addition, 95.35% of the respondents indicated that religious beliefs did not affect/determine how they conduct business. Moreover, 93.02% of the respondents indicated that immediate or extended family did not affect how they ran the businesses. This was because they had managed to separate business from family.

The study found that 95.35% of the respondents had capital to run the business though they would appreciate financial boost from financial institutions by giving them fair terms and

conditions on money borrowed as capital for the business. They explained that they were stable to support business while some said the business was not up to standard because did not have enough capital to pump into the business. They explained that the profits from businesses were used to serve the needs of the families thus not destabilizing the business because what is ploughed back into the business is minimal. In addition, 6.98% of the respondents indicated that they had taken a loan from a bank or any other financial institution while the majority used personal savings as start-up capital. Those who had taken loan they used it to lay foundation of the business. They had been repaying the loan for 1-2 years. The amount of loan given had effect on the performance of the business. They were not experiencing any problem with the type of the interest rate chosen and the loan repayment. The interest is predetermined by the bank and it is occasionally changed without the borrower being consulted. All women businesses targeted both middle and low class customers.

The study established that 58.14% of the respondents had no computer skills other than the ones running a pharmacy and cyber cafe. Computer skills were used to in stock taking, database, advertise and market goods on social media net such as Face book and website on the internet. In addition, 65.12% of the respondents indicated that the efforts being made by the government would help to improve the general skills of women in entrepreneurship by offering free or affordable training on business management skills, records keeping and use of Information and Communication Technology to run and improve business.

### **5.3 Discussion of the findings**

The study found that the women small-scale entrepreneurs made up the majority of the entrepreneurs in Kiambu. They faced a number of constraints such as: social acceptability, gender biases, family responsibilities, political instability, poor infrastructure, high-production costs, poor access to market information, limited access to Information and Communication Technology and finances, poor linkages with support services, gaps between policy and its implementation, and an altogether unfavorable business environment.

#### **5.3.1 Business management skills**

The study found that women entrepreneurs in Kiambu did not have efficient business management skills. Few had some training in business management training from short term business management courses while a majority had no skills in business management. Training contributes to success of the business by giving the owners vital knowledge and

skills in running a business and also boosting their self confidence in the business. Skills such as proper records keeping, time management, money management, customer care and communication skills go a long way in positively affecting business performance. The management styles used mainly by the women entrepreneurs can be described using relational dimensions such as mutual empowering, collaboration, sharing of information, empathy and nurturing. These dimensions were deemed to be associated with business performance, particularly with regard to employee retention and esprit-de-corps (common loyalty).

### **5.3.2 Economic factors**

Women find it very challenging in raising start up and recurrent finances for their businesses and it is mostly due to credibility issues especially when dealing with financial institutions such as commercial banks. Guarantees and collateral required for external financing sometimes are beyond the scope of most women who have limited personal assets and credit track record. Female entrepreneurs experience problems when seeking finances for their businesses because of sexual stereotyping and discrimination. The ability to tap into new markets requires expertise knowledge and networking skills.

Most business women in Kiambu often lack access to training and experience on how to participate in the complex and male dominated market arena and are therefore unable to market goods and services strategically. They have not been exposed to the international markets, and therefore lack knowledge about what is internationally acceptable business practices or exposure to other available consumers other than those located in Kiambu town. The high cost of developing new business contacts and relationships in a new market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women also face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts beyond their usual middle and low class customers located within Kiambu town. Market liberalization leads to increased competition which demands swifter response to the market. Unfamiliarity with the external world and lack of ease in moving around it also hampers women when it comes to dealing with a multiplicity of agencies in setting up or running a business.

### **5.3.3 Social and cultural factors**

The differences in risk perception could be linked to issues of power and influence or rather women's lack of access to them. Women encounter social structures at work, family and



social life that influence development of human and social capital, different from their male counterparts. There was no gender difference in regard to complying with social pressure concerning business start-up but women perceived stronger social support at the start-up phase. This may be due to women spending more time building support for their idea and being reluctant to start before having social support or perhaps it is because it is the type of business that requires more support. The pull between family, work and the other social roles that women play influence the amount of time spent in the business.

### **5.3.4 Information and Communication Technology (ICT)**

ICT contributes to business efficiency, productivity, and profitability by reducing transaction costs and creating new opportunities to directly market products and services. Women possess the capacity, skill and resources to access, manage and produce information for their needs by means of ICT. These technologies inherently make possible flexibility in time and place, offering great possibilities for women in view of their multiple roles. There are low policy priorities to support rural ICT initiatives, particularly those directed at rural women. Women are underrepresented in all ICT decision-making structures, including policy and regulatory institutions, ministries responsible for ICTs, and boards and senior management of private ICT companies. The cost of IT hardware and software for the rural population is prohibitively expensive. ICT adoption or must be perceived as a way to save time, provide flexibility and increase efficiency. In second hand and new clothes, ICT have been used as a tool of marketing where clothes are photographed and posted on social media such as Facebook. This has made sales to rise as one gets customers from various places. In the cases of restaurants, ICT has been used for book keeping making the work easier and accurate. In retail shops

### **5.4 Conclusion**

The study concludes that women entrepreneurs face financial limitations raising initial or start up and running capital, an obstacle in combining family and work life, lack of adequate information/advice on business management and a question of self-confidence (believing in their abilities). The management styles of female entrepreneurs were mutual empowering, collaboration, sharing of information, empathy and nurturing and these dimensions helped to improve business performance.

The study concludes that gender affects the performance of the business to some extent though women do better if given a chance and a supportive environment. Religious beliefs did not affect/determine how they conduct business. Guarantees and collateral required for external financing sometimes are beyond the scope of most women's personal assets and credit track record. Most women often lack access to training and prior experience on how to aggressively marketing their products and services therefore unable to market goods and services strategically. The high cost of developing new business contacts and relationships in a new market is a big deterrent for many women-owned businesses. Unfamiliarity with the external world and lack of ease in moving around also hampers women when it comes to dealing with a multiplicity of agencies in setting up or running a business.

The study concludes that most women's businesses were not running at maximum capacity and could do better if the environment was conducive. The businesses serve the families thus not very stable because profits were usually used to procure services and goods for the family and little was ploughed back into the business. Very few women had taken a loan from a bank or any other financial institution. There was no gender difference in regard to complying with social pressure concerning business start-up but women perceived stronger social support at the start-up phase. The pull between family and work and the other social roles that women play can be seen in how role conflict is experienced regardless of family structure or time spent at work. This conflict was found to be more prevalent in owners with lower self-esteem

The study concludes that most women did not have computer skills. ICT contributes to business efficiency, productivity, and profitability by reducing transaction costs and creating new opportunities to directly market products and services. Women possess the capacity, skill and resources to access, manage and produce information for their needs by means of ICT. Women are underrepresented in all ICT decision-making structures, including policy and regulatory institutions, ministries responsible for ICTs, and boards and senior management of private ICT companies. The cost of IT hardware and software for the rural population is prohibitively expensive. ICT adoption or any activity meant to improve or enhance their lives must be perceived as a way to save time, provide flexibility and increase efficiency rather than adding to their responsibilities.

## **5.5 Recommendations**

From the study findings and conclusions the study recommends;

- 1) The government should put up a policy on how to train women entrepreneurs on business management skills. More women should be encouraged to put up businesses. This can be done by encouraging women when choosing their careers to choose on entrepreneurship courses and business administration courses. Women should learn from a tender age to balance work and family cores.
- 2) The government should include the aspect of training women in business management as part of its vision 2030 so that women can participate fully in the economic growth of the country.
- 3) Financial institutions should encourage women to take loans. This can be done by ensuring there is no discrimination between women and men while giving loans. The government should ensure that they fund women SMEs by giving them cheap loans not only in groups but also individually.
- 4) Women should be trained on how to participate in the market place and so that they are able to market goods and services strategically. Women need to be made familiar with the external world by decreasing the process of going to other areas and making it easy. This will help them be able to deal with a multiplicity of agencies in setting up or running a business.
- 5) Women should be encouraged to learn computer skills and implement ICT. This will help to make possible flexibility in time and place, offering great possibilities for women in view of their multiple roles.
- 6) Women should be well represented in all ICT decision-making structures, including policy and regulatory institutions, ministries responsible for ICTs, and boards and senior management of private ICT companies.

## **5.6 Suggestions for further research**

A similar study could be carried out in other counties to find out whether the same results will be obtained. Further research should be carried in these areas:

1. The factors that influence the performance of businesses run by men.
2. The factors that influence the performance of businesses run by young people.
3. Challenges facing youth and women entrepreneurs in Kenya
4. Effect of second hand clothes on clothes industry in Kenya

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## APPENDICES

### APPENDIX I: TRANSMITTAL LETTER

Karen Kibaara  
P. O. Box 4696 00200  
Nairobi

November 27, 2012

#### TO WHOM IT MAY CONCERN

Dear Madam,

#### **RE: REQUEST FOR INFORMATION FOR AN ACADEMIC RESEARCH PROJECT**

I am a student at the University of Nairobi and currently pursuing a Masters Degree in Project Planning and Management. As a requirement for partial fulfillment for an award of the Masters Degree, I am carrying out an academic research project on the Factors that Influence the Performance of Businesses Run by Women in Kiambu town.

Given that you are running a business in Kiambu town, I believe you have vital information relevant to my research project. I therefore, kindly request your assistance by filing in the questionnaire attached herewith which will be collected in a week's time. All the information that will be collected will be held with strict confidentiality and will be used for academic purposes only.

I look forward to your very vital response.

Yours sincerely,

Karen Kibaara

## APPENDIX II: QUESTIONNAIRE FOR BUSINESS WOMEN

*All the information will be held in confidence*

### **SECTION A:**

#### **BACKGROUND INFORMATION**

1. Name:.....(optional)
2. Ethnic background.....(optional)
3. Marital Status;  
Single  
Married  
Widow  
Widower
4. What is your level of education?  
Never went to school  
Primary school education  
Secondary school education  
Tertiary/College Education
5. Apart from business what is your other occupation? .....
6. What is your average income from your business in a month?  
Less than Kshs. 4,999  
Kshs.5000 to Kshs.9,999  
Kshs.10,000 to Kshs.19,999  
Kshs. 20,000 toKshs. 49,999  
Kshs. 50,000 and above

**SECIION B: Factors influencing the performance of women entrepreneurs**

**BUSINESS MANAGEMENT SKILLS**

1. How long have been engaged in active business?

Less than 1 year

1-5 years

5-10 years

10-15 years

More than 15 years

2. When you started your business, what were the main obstacles you faced?

No obstacles

A question of self-confidence (believing in your abilities)

Financial questions (raising capital)

Lack of information / advice

Combining family and work life

Others (please specify): .....

3. State briefly how you have overcome any obstacles:

.....  
.....  
.....  
.....

4. In your opinion, do you think your experience in business has an effect in the performance of your business?

Yes No

Explain.....  
.....  
.....  
.....

5. Do you have any form of training in business management?

Yes No

6. If Yes, how do you rate the impact of your skills on the performance of your business?

High Moderate Low Not aware

7. How does training contribute to success to the business?

.....  
.....

8. If No to question No. 3 how do you think lack of business management skills has affected your business?

.....  
.....  
.....  
.....

9. How do you think your business would benefit if you got trained on business management in terms of time management, planning skills and financial management?

.....  
.....  
.....  
.....  
.....  
.....  
.....

**SOCIO-CULTURAL FACTORS**

10. As a woman in business, do you feel that your gender affects the performance of your business?

Explain:.....  
.....  
.....  
.....

11. Do you feel that your religious beliefs affect/determine how you conduct business?

Explain:.....  
.....  
.....  
.....  
.....

12. Does your immediate or extended family affect how you run your business?

Explain:.....  
.....

.....  
.....  
.....

13. Are there any other social and cultural factors that affect the performance of your business whether positively or negatively?

.....  
.....  
.....  
.....

**ECONOMIC FACTORS**

14. Do you have enough capital to run your business

- YES     NO

Explain:.....  
.....  
.....  
.....  
.....

15. If No to question 14, how do you plan to fund your business?

.....  
.....  
.....

.....  
.....  
.....

16. Have you ever taken a loan from a bank or any other financial institution?

- Yes    No

Explain:.....  
.....  
.....  
.....  
.....

17. For how long have you been repaying for the loan?

- Less than one year  
1-2 years  
2-3 years  
More than 3 years

18. In your opinion, do you think the amount of loan you were given has any effect on the performance of your business?

- Yes    No

19. If Yes, please explain.

.....  
.....  
.....  
.....

20. Are you experiencing any problem with the type of the interest rate chosen above and your loan repayment?

Yes No

21. If Yes, please explain the problem you are experiencing

.....  
.....  
.....  
.....

22. Have you paid any amount on top of what you borrowed?

Yes No

23. If Yes, how much did you pay and what was the reason for the amount paid on top?

.....  
.....

24. What kind of customers do you target in your business?

.....  
.....

25. What is their purchasing power?

.....  
.....  
.....  
.....



**INFORMATIN AND COMMUNICATIN TECHNOLOGY (ICT)**

26. Do you have any computer skills?

- a. Yes
- b. NO

27. What skills do you have and do you use these skills to run your business?

.....

.....

.....

.....

.....

28. What other ICT skills do you have that you use to run your business?

.....

.....

.....

.....

.....

29. What ICT skills would you want to acquire in order to run your business better?

.....

.....

.....

**OTHER FACTORS**

30. In your opinion do you think the efforts being made by the government will help improve the general skills of women in entrepreneurship?

Yes No

Please explain your answer above.

.....  
.....

31. What other factors within your environment do you feel affect the performance of your business?

.....  
.....  
.....  
.....  
.....

***THANK YOU FOR YOUR COOPERATION***